

ITALY COUNTRY COMMERCIAL GUIDE FY 2002

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CHAPTER 1: EXECUTIVE SUMMARY

This fiscal year 2002 Country Commercial Guide (CCG) provides background, including economic, political, and market analysis, on Italy's business environment. It is intended as a resource for American companies doing business in Italy. The CCG was established, on the recommendation of the U.S. Government interagency Trade Promotion Coordinating Committee (TPCC), to consolidate various reporting documents prepared for the American business community. CCGs are prepared annually at U.S. embassies through the combined efforts of U.S. Government agency elements.

The expansion of U.S.-Italian commercial relations remains one of the U.S. Mission to Italy's highest priorities. In 2001, an evolving commercial environment presents new challenges and opportunities. The United States and Italy already have a strong commercial relationship on which to build. Two-way trade was a formidable \$36 billion in 2000. However, Italian exports to the United States continued to outstrip American exports to Italy, resulting in a U.S. trade deficit with Italy of more than \$12 billion in 2000.

The American trade deficit with Italy reflects a variety of factors, including recent U.S. economic growth and the strength of the dollar. Another factor is the Italian economy's relatively low profile in the United States. Many American exporters do not appreciate the size and importance of the Italian economy, the sixth largest in the world. One of the U.S. Mission's goals is to stimulate American interest in the enormously promising Italian market. This includes increasing awareness of potential business opportunities in Italy's developing regions, which are slated for major infrastructure development in the coming years.

Thus, there is plenty of room for growth in American exports to Italy. Areas such as information and communications technology, infrastructure development, and services are ripe for expansion if Italy undertakes the economic institutional reforms necessary for success in the global economy. New legislation such as the intellectual property protection law passed in July 2000 to combat piracy of software, films, music, and books will encourage American businesses to explore new opportunities in Italy. Still, Italy lags other European countries in recent economic surveys. Identified as impediments are a burdensome and complicated tax system, labor rigidity, lack of physical infrastructure in certain parts of the country, and crime, among other factors.

Italy is well on its way to meeting these challenges. The Government's privatization program, as it moves ahead, will create many possibilities for public and private partnerships involving U.S. and Italian firms. It is essential that business people do their part to encourage a reduction in barriers to trade, through bilateral, U.S.-European Union (EU), and international fora such as the World Trade Organization. Reducing such barriers will increase the number and total value of business opportunities. It will also create the market conditions for international strategic alliances in the truly global sectors of aviation and aerospace, energy, telecommunications, construction, transportation, information technologies, and medicines and pharmaceuticals. Italy and

the United States have extraordinary capacity in each of these sectors and may provide equally extraordinary synergies.

In order to attract more American firms to the Italian market, the U.S. Mission's commercial sections actively participate in the U.S. Department of Commerce's trade promotion program called "Showcase Europe." This program intends to open European markets to more U.S. firms by reducing tariff and non-tariff barriers to trade, ensuring full access to government procurement opportunities and national treatment for investors, and helping U.S. firms broaden their efforts beyond their traditional markets in Europe. Working with sister sections at Embassies and Consulates across Europe, the U.S. Mission's commercial sections use a variety of vehicles to bring Italy to the attention of U.S. firms. They conduct an active program of trade events and promotional activities throughout Italy to introduce new American products and services in the Italian market.

The trade relationship between the United States and Italy can become even stronger, with tangible benefits for both countries. The U.S. Mission will continue to work closely with American and Italian institutions to accomplish this.

Country Commercial Guides can be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest Export Assistance Center or the U.S. Department of Commerce's Trade Information Center at (800) USA-TRADE, or go to one of the following websites: www.usatrade.gov; or www.tradeinfo.doc.gov.

CHAPTER 2: ECONOMIC TRENDS AND OUTLOOK

MAJOR TRENDS AND OUTLOOK

During most of the 1990's, Italy's gross domestic product (GDP) growth was the slowest in what is now the Economic and Monetary Union (EMU) zone. The gap, once attributed to the tough budget discipline of the 90s, but now at the end of the EMU process, seems to reflect structural impediments in the Italian economy that discourage investment and job creation. Italy's growth rate of 2.9 percent in 2000 and projected growth rate of 2.3 percent in 2001 continues to be slightly below the EMU zone growth of 3.4 percent (2000) and 2.5 percent (2001).

In 2000, imports increased by 23.6 percent, while the value of exports increased by 16.4 percent over the corresponding period of 1999. The Euro currency's weakness vis-à-vis the dollar boosted the volume of exports last year. The Euro-zone's stability relative to the U.S. at the end of 2000 also promoted Italy's trade with its regional neighbors. In late 2000 and early 2001, exports to the European Union (EU) surged relative to exports to non-EU markets. Imports grew faster than exports, with the result that the modest trade surplus of \$1.3 billion in 2000 (0.1% of GDP) was over 90 percent smaller than the 1999 surplus balance of \$14.9 billion (1.3% of GDP). The slowdown in the US and Euro-zone economies is expected to contract Italy's export potential. Given a slower GDP growth, however, net exports should increase relative to GDP growth in real terms, resulting in a modest increase in Italy's trade surplus. As a result of these trends, Italy's trade surplus will increase slightly to around one percent over the forecast period. Through 2000 Italy reduced foreign exchange reserves to \$40.3 billion, down slightly from the level at end 1999 (\$40.8 billion).

On inflation, Italy is now firmly within norms specified for the EMU, a major achievement for this historically inflation-prone country. Though still relatively high by European standards, consumer inflation stood around two percent in 1997, 1998 and 1999. Due to the increase of oil prices and to the strengthening of the dollar vis-à-vis the Euro, consumer inflation accelerated 2.5 percent in 2000. The 1992 and 1993 agreements on wage adjustments, which have helped keep wage pressures on inflation low, have been renewed by December 1998 and will be effective through 2002. Besides guidelines for wage negotiations, the new pact cuts some labor costs and includes incentives from investment and worker training. Inflation in 2001 is estimated to stabilize around 2.5 percent, slightly above the revised GOI target for 2001 of 2.3 percent (60 basis points above the original target of 1.7 percent set in the budget planning document for 2001-4). Despite the 2.9 percent increase registered year-to-year in the first half of 2001, projections by Confindustria, the Bank of Italy and ISAE indicate a deceleration of the CPI over the 2001-2002 period.

The key economic challenges facing Italy and the newly elected government are keeping the government deficit under control, reforming pensions system, continuing efforts to reduce the high level of government debt, reducing unemployment, addressing structural rigidities of the Italian market and improving public administration and the inadequate level of infrastructures.

ECONOMIC TRENDS AND OUTLOOK FOR AGRICULTURE

Italy's agricultural trade is composed mainly of raw material imports from other EU member states (92.2 percent) and value-added exports to other EU member states (69.3 percent). U.S. exports to Italy suffered from the high dollar and fell to about \$886 million in 1999, compared to \$1.151 billion in 1998. Neither U.S. nor Italian trade statistics reveal the actual level of imported U.S. products, because of the EU open borders. Many U.S. food and agricultural products (i.e., ingredients, frozen foods and beverages, etc.) arrive in Italy via France and Germany. This trend toward regional distribution has consolidated during the last three years and is expected to continue.

According to U.N. trade statistics, the leading U.S. agricultural exports to Italy in 1999 were seafood (\$47 million), forest products (\$232 million), cotton (\$21 million), grains and feed (\$122 million), soybeans and soybean meal (\$64 million) and fruits and vegetables (\$22 million) and pet foods (\$17 million). The following product categories also performed well: processed fruit and vegetables, snack foods, dried fruits (prunes), and dried nuts (almonds), hides and skins (leather and reptile skins), and vegetable seeds. Italy exported \$1.5 billion in agricultural, fish and forestry products to the United States in 1999, including; vegetable oils such as olive oil (\$250 million), wine (\$492 million), cheese (\$139 million) and forestry products (\$102 million).

The following national and international developments are expected to shape Italy's agricultural sector in the future: Italy's participation in the European Monetary Union; national budget reform, Common Agricultural Policy (CAP) reform (i.e. direct payments to producers of fruit and vegetable products as opposed to payments through processors, reduced subsidies for cereals and oilseeds, and high penalties for out of quota production of tobacco and milk); EU Enlargement and the Mediterranean Agreements; and new environmental restrictions as a result of the

“green” movement (i.e. more stringent packaging requirements, tighter controls on the use of chemical inputs, and possible limits on the use of biotechnology). These factors are expected to foster a very competitive environment, which may drive some marginal producers out of the farming sector.

PRINCIPAL GROWTH SECTORS

Italian companies are expected to boost investment in response to domestic demand as Italy's economy gradually recovers and in response to export demand from EU markets enjoying more robust economic growth than Italy. In addition, Italian firms are seeking to improve their operations to compete effectively in the increasingly competitive European market. This increase in investment will create excellent opportunities in Italy for American exporters. American investors and exporters may also find opportunities in the ongoing privatization program.

The full liberalization of the Italian telecommunications market, with a belated but enthusiastic interest in the Internet, is creating substantial business opportunities. Privatization and liberalization in the energy sector following EU directives should also spur future demand for equipment and services in this sector. In addition, the Italian public as well as private sector is looking for ways to improve efficiency while reducing costs, through outsourcing, training programs and better application of new information technologies. U.S. firms with products and services that contribute to the further rationalization and increased competitiveness of the Italian economy will find that Italy offers significant opportunities.

Despite the current economic climate in Italy, the fluctuations in the dollar/lira exchange rate, and the often protectionist regulations of the CAP, there are still many opportunities in the near-to-medium term to both maintain and expand the market for a variety of U.S. agricultural products.

Specific agricultural and non-agricultural products and services which offer good prospects for U.S. firms are described in Chapter V below.

GOVERNMENT ROLE IN THE ECONOMY

In the post World War II period, the Italian state traditionally played a dominant role in the Italian economy. In the early 1990's, the Italian government controlled about a third of all industrial activity and almost two-thirds of banking operations. In many sectors, the State's role was eliminated or vastly reduced. There are, however, a few exceptions with the Government of Italy (GOI) having a controlling stake in ENEL and ENI, two utilities, and a golden share in Telecom. In March 2001 the OECD publication: Regulatory Reform in Italy mentioned that “...during the 90s Italy carried out the biggest privatization program within the OECD countries.”

Since 1993, four major banks, Credito Italiano, Banca Commerciale Italiana, Istituto Mobiliare Italiano and Banca Nazionale del Lavoro (BNL), and the country's second largest insurance company, INA, have seen control transferred to banking foundations, non-profit entities with government-approved directors. IRI, once the major government-owned industrial holding company, dismantled itself through sell-offs. Telecom Italia was

sold in a stock offering in 1997. There have been five offerings of stakes in oil and gas parastatal ENI, the last of which reduced the government's holdings to 30 percent. In the period 1999-2000, there have been the offerings of 35 percent of Enel, the electricity company; 87 percent of Autostrade, which operates highways and 45 percent of Finmeccanica, the defense industries holding company Tech holding company and 52 percent of the Rome Airport Authority. In the first four months of 2001, Treasury sold five-percent stakes of the energy holding company ENI and the financial holding company COFIRI. The two transactions produced respectively \$2.5 billion and \$500 million.

The government estimates that privatizations and sale of rights for third generation wireless telephony combined will reach \$33 billion in the year 2001. (The sale of rights for third generation wireless telephony produced \$11 billion.) Expected in the coming months are the sale of Treasury's residual three percent stake in Telecom Italia, INA, and Beni Stabili. In early fall, Ente Tabacchi, the Italian tobacco manufacturing company and the minority stake in BNL will be sold. Treasury also plans to sell Elettrogen and Interpower, two of the three electricity generating companies (GenCo) in to which ENEL has been split. Treasury also plans to privatize a second tranche of the state electricity giant, ENEL, as soon as the stock market conditions improve. The sell off of the remaining 30 percent of ENI, the energy company, is a bit more complicated. Italy is looking at this within the context of "oil and gas" liberalization throughout the EU. Alitalia will be placed in the market only at the end of a restructuring of the airline company.

BALANCE OF PAYMENTS SITUATION

Italy has had current account surpluses from 1993 through 1999. In 2000, Italy registered a \$5.6 billion deficit, the first deficit after seven years, after a \$8.2 billion surplus registered in 1999. Current account surpluses since 1993 brought Italy's net external position into balance at end of 1997, and through 1999 produced a net external credit position equal to 4.8 percent of GDP, that decreased slightly to 4.0 percent of GDP in 2000. 2000 portfolio investment inflows and outflows were lower than those registered in 1999, resulting in a \$24 billion net outflow. This reflects the intensive shift of Italian investors' portfolios into foreign assets. There was a modest net inflow of direct investment totaling \$1.0 billion in 2000.

INFRASTRUCTURE SITUATION

To jump-start the ambitious 10-year effort to improve and expand the transportation network, the Berlusconi government presented to parliament a bill including measures intended to eliminate bureaucratic obstacles to public works and infrastructure investment.

Railroad--The railroad system is operated by the Italian State Railways (Ferrovie dello Stato, abbreviated FS), a government agency. The railroad provides an efficient and economical method of transportation. More than half of the rail system is electrified.

Highway--The highway system is approximately 197,000 miles long, including over 3,000 miles of superhighways, called "autostrade." The network connects the major

industrial centers and offers easy access to Northern Europe. Trucking services are operated mainly by private companies under government concession.

Air--Alitalia, a state-owned company that is scheduled to be fully privatized, is Italy's principal airline, providing both international and domestic service. Additional service is provided by Lauda Air, Itavia, Air Europe and Meridiana airlines. Charter service is offered by SAM, an Alitalia subsidiary, and by Air One, while air-taxi service is available from Unijet Italia in Rome and Agena in Milan. Italy has an extensive airport network consisting of 19 international, 17 domestic, and 59 general aviation airports. Federal Express, DHL, and other rapid delivery services are also available.

Sea--Italy has six major seaports: Genoa, Livorno, Naples, Palermo, Trieste, and Venice. In addition, there are 35 smaller ports mostly used for coastal shipping.

Industrial Districts -- Small and medium sized enterprises, especially in the North, have contributed heavily in terms of output, exports and job creation. Their activities have been fostered by the functioning of "industrial districts". The districts take advantage of areas where many small enterprises operate in the same industry and where the steps of production are divided up among the various enterprises. Over time, cooperation among the firms (and often unions of their workers) has paid off in better exchange of information, group purchases, and market development. The districts have been recognized in law to give the communities the tools to plan joint activities, tap national and regional financing for projects, establish service contracts, for example, with research institutes and universities, and otherwise maximize public and private resources for the success of their industry and local development.

CHAPTER 3: POLITICAL ENVIRONMENT

NATURE OF POLITICAL RELATIONSHIP WITH THE UNITED STATES

Italy is an important economic and political partner of the United States. Italy's proximity to areas of tension in the Balkans, the Eastern Mediterranean, and North Africa underscores its strategic significance. A founding member of NATO, Italy has worked with the United States in efforts to promote democratization and stability in Central and Eastern Europe, implementation of the Dayton accords in Bosnia and the success of the Middle East Peace Process. Italy played a crucial role in NATO's action in Kosovo and in managing the refugee crisis, as well as in efforts toward economic and political stabilization in Albania. Italy has played a central role in the growth of the European Union, supporting European economic and political integration and advocating a stronger European security and defense identity within NATO.

MAJOR POLITICAL ISSUES AFFECTING BUSINESS CLIMATE

Prime Minister Silvio Berlusconi took office on June 11, 2001 at the head of a center-right coalition government. He succeeded Giuliano Amato, who led a center-left government. The center-right coalition won the May 13, 2001 elections and has a solid majority in Parliament. The main spokesman for the center-left Olive Tree coalition is former Rome Mayor Francesco Rutelli, who was the center-left's designated candidate

for Prime Minister in the May elections and heads the centrist Daisy coalition. The other, larger, main component of the Olive Tree is the Democrats of the Left (DS).

The center-left government coalition pursued responsible budgets, conservative fiscal policies and privatization, and is credited with guiding Italy into the European Monetary Union. Their success was built in part on a tripartite agreement committing Italian employers and unions to an income policy that generated a period of economic stability. In December 1998, government, unions and employers renewed their commitment to a "Social Pact" that, among other provisions, reduced tax burdens on workers and employers to encourage new investment and reduce unemployment.

The center-right, governing coalition is now presenting its first DPEF (government planning document presented in June of each year, outlining the government's economic and financial program).

BRIEF SYNOPSIS OF POLITICAL SYSTEM/MAJOR POLITICAL PARTIES

The Republic of Italy is a parliamentary democracy. Parliament consists of the Chamber of Deputies (630 members) and the Senate (324 members). The Chamber of Deputies is the more influential body. No single political party commands a parliamentary majority and coalition governments are the norm. Much of Parliament's work takes place in committees.

Executive authority is vested in the Council of Ministers, headed by the President of the Council (Prime Minister) who, as Head of Government, is responsible for its day-to-day functioning. The ministries form the basic structure of the state's public administration. The Berlusconi government has 24.

The President of the Republic is Head of State and has limited powers. He or she appoints the Prime Minister, subject to parliamentary concurrence. The President can also dissolve Parliament and call for elections if it is clear that no governing majority can be formed. The President is elected for a term of seven years by the Members of the Chamber of Deputies, the Senate and representatives of the 20 regions. Carlo Azeglio Ciampi was elected President of the Republic in May 1999.

The judicial system includes three separate lower courts whose decisions may be appealed to the Assizes Court of Appeals. Decisions of the Assizes Court of Appeals can be appealed to the highest court, the Court of Cassation (Supreme Court) in Rome. The Constitutional Court rules only on matters concerning the constitutional legitimacy of referenda, legislation and other actions of the central and regional governments.

Although State authority in Italy remains centralized, the country has devolved certain responsibility for transportation, health and welfare issues to regional and local bodies. Regions can also present draft laws to Parliament on issues of particular interest.

Major Political Parties:

Center-right "Freedom House" Governing Coalition:
(Led by Prime Minister Silvio Berlusconi)

Forza Italia (FI)
National Alliance (AN)
Christian Democratic Center (CCD)
United Christian Democrats (CDU)
Northern League (LEGA)

Center-left Opposition

Democrats of the Left (DS)
Italian People's Party (PPI)
The Democrats (DEMOCRATICI)
Union of Democrats for Europe (UDEUR)
Italian Renewal (RI)
Italian Communists (PDCI)
The Greens (VERDI)
Italian Socialdemocrats (SDI)

Independents:

Communist Renewal (RC)
(Led by Chamber Deputy Fausto Bertinotti.)

POLITICAL ENVIRONMENT FOR AGRICULTURE

In 2000, the Minister of Agriculture was a member of the Green Party who heavily promoted organic and natural products and inhibited the import of biotech products. Partly as a result of his urging, the GOI unilaterally banned the import of the four main biotech corn varieties (even though they had been approved for use within the EU for several years) based on arguments that the products should have had a full EU review instead of an abbreviated review based on substantial equivalence. Imports of non-GMO corn and soybean seed for planting were also hindered over concerns of adventitious biotech presence. At the time of this writing, a new Minister has been in power for four weeks following national elections. It is currently too early to determine his views on the use of biotechnology in agriculture.

CHAPTER 4: MARKETING U.S. PRODUCTS AND SERVICES

DISTRIBUTION AND SALES CHANNELS

American business representatives will find that selling in Italy offers new challenges, but it presents no overwhelming problems. Over 7,500 American companies are actively represented in Italy, with approximately 850 of them having subsidiaries there. U.S. executives may find that some commercial practices differ from those in the United States, but most will be very familiar. The system of retail and wholesale distribution, for instance, centers on small family-operated stores, although the supermarket-type operation has gained importance and there are a number of substantial department store operations.

Retail Distribution in Italy

As Italy has a population of 57.7 million, its retail distribution sector is large in total sales and serves the consumer at the retail level through numerous small, family-owned, retail outlets rather than large, mass market operations. The market offers many commercial opportunities because of the large sales volume and a lack of competitive companies. Many large retail stores have recently been opening on Sundays. Recent legislation has liberalized the range of products and hours of operation permitted at retail outlets and should promote a more modern, competitive retail system.

In order to satisfy Italian consumers, firms operating in the Italian retail distribution sector find that they must invest large amounts of money in new techniques, management, research, media promotion, and equipment. The industry's average return on investment is approximately 13 percent. In terms of existing points of sale, there is a trend away from the family-type stores and street vendors to the distribution chains. Italian distribution systems include small family-owned stores, street vendors, hypermarkets, shopping malls, specialized stores and discount stores.

Horizontal points of sale such as general stores, which had experienced boom conditions in the early 1980s, have begun to lose ground to specialized stores, franchising chains, and hypermarkets. In order to create a unique business identity, department stores have begun a process of realignment and now tend to attract the more affluent, quality-oriented consumers, as well as compete on price and product selection. Supermarket chains now look toward further expansion, particularly in creating and operating large shopping malls. Where such shopping centers exist, they are proving to be successful.

The Italian retail distribution system is faced with the new challenges of competition and technology. It is in the process of being reorganized in terms of number of points of sale and of marketing strategies. The small traditional retail outlets are considered obsolete, but the Italian distribution groups are still too small in many cases to compete effectively with large chains operating in some of the other European nations. A process of internationalization is now taking place among Italian and foreign chains with some agreements already signed. There is, however, room for more.

The marketing of products in Italy is accomplished through a variety of channels, depending on the nature of the product, the sales territory to be covered, the type of buyer, and the sales promotional activities required. Brokers, commission merchants, and independent representatives are used extensively for the sale of raw materials, semifinished products, and capital goods to the larger manufacturing organizations. However, well-established distributors are normally employed to reach industrial firms as well as the large number of wholesalers and retailers engaged in the marketing of consumer goods.

If the product normally has a high sales volume and low profit margin, the Italian firms seek to deal directly with the manufacturer. Sales to a department store, chain store, or end-user often yield the best sales results, but require greater promotional effort by the American exporter. The direct sales method eliminates the added shipping and warehousing expenses, but the U.S. exporter and Italian importer must handle the shipping formalities and expend greater effort to ensure a successful business relationship.

USE OF AGENTS/DISTRIBUTORS; FINDING A PARTNER

Italy represents a large and affluent market where language and personal relationships are valued when conducting business transactions. Consequently some form of local presence is generally required to be successful. American firms have found that relying on local Italian sales agents or distributors, who have the contacts and understand the market, can most effectively develop sales.

There are important distinctions in Italian law between distribution and agency agreements:

Agency: Agency contracts are governed by the Italian Civil Code and by a number of other legislative decrees. An Italian agent for a foreign firm is generally regarded as being authorized to act for the firm. Depending on the contract, the principal may be subject to termination compensation payments and to income taxes and other levies on sales effected through the agent.

Distributorship: Under this arrangement the local distributor takes title of the merchandise and assumes the risks, and has the obligation to pay any taxes. Distribution agreements are subject only to the terms of the contract itself. There are no laws or regulations currently in effect in Italy providing for advance notice of termination, termination compensation, or social security payments in connection with these agreements.

Frequently, a distributorship agreement provides for exclusive sales rights. There is nothing in Italian law preventing exclusive arrangements in all or part of Italy. However, if these agreements provide for exclusive sales rights in all or part of the EU, they should be examined carefully, and with the assistance of a competent international lawyer, in light of the antitrust provisions of the EU regulations.

Appointing an Agent or a Distributor

It is important to obtain specific legal advice on appointing an agent or distributor. However, some general guidelines apply and are outlined here. Italy implemented the EU directive 86-653 in October, 1991. As a result, Italian agency law is now in conformity with EU requirements. All agent agreements should be in writing and state the marketing area and any exclusivity arrangements. Termination of the relationship is the area that most frequently causes problems for American exporters. Generally, the civil code protects the interests of the representative. In the absence of termination provisions in a written agreement, the law provides for a minimum notice of termination of one month during the first year of the agreement, two months during the second year, three months for the third year, four months for the fourth year, five months for the fifth year, and six months for the sixth and additional years. Parties may agree to other terms, provided the notice of termination is not less than the above. An agreement with a definite period terminates on the agreed expiration date. If the parties continue to operate under the agreement after that date, the agreement becomes an agreement of indefinite term, which can be terminated in accordance with the aforementioned notice periods. If the American principal wants to terminate the relationship, notice of termination should be given, even with a definite term contract.

The termination of an agreement without the required notice makes a U.S. principal liable for compensation. The Italian sales agent could seek to claim the amount of the commissions that would have been earned during the termination period or for the amount of actual damages suffered. In exceptional cases, and only for just cause (such as competition or fraud), an agreement may be terminated without notice provided the other party is immediately advised of the reason. In such cases, the courts may be requested to terminate the contract.

At the expiration or termination of an agreement, by whatever means, an agent who has increased the value of the business is entitled, in principle, to an adequate remuneration which cannot exceed the average of the commissions in 1 year. Such claims by agents are subject to an expiration period of 1 year.

Three kinds of distribution agreements are commonly used:

- Exclusive distributorships, where the distributor has the sole right to sell specified goods within a defined area.
- Quasi-exclusive distributorships, where the distributor sells almost all the specified products within a defined area.
- Informal distributor arrangements, under which the grantor imposes heavy obligations on the distributor and which would cause damage to the distributorship if the grantor terminated the agreement.

In the absence of mutual agreement, or the failure to meet contract obligations, a distribution agreement of indefinite term cannot be terminated by the grantor without reasonable notice or fair compensation. In general, grantors should consider protecting themselves by entering into agreements for definite periods rather than an indefinite period. Also, specific minimum performance clauses should be considered, such as percent of distributor's sales, minimum annual sales, and number of business contacts to be made, and grantors should propose that U.S. law and courts have jurisdiction.

A continued and close working contact between the American firm and the agent or distributor is very desirable and should be developed early in the relationship. Certain products and equipment require servicing to maintain their useful life. The U.S. exporter should determine if servicing is needed and develop a distribution network to include such servicing by qualified personnel. To build trust, loyalty, and marketing skills, U.S. producers frequently bring their agents or distributors to the United States for training and marketing assistance.

FRANCHISING

Franchising in Italy has been growing at a very fast pace. Latest figures available indicate that in 2000 Italy had 562 franchisors and 31,439 franchisees, thus ranking second in Europe, after the UK. The franchising sector has continued to thrive and the total turnover was in excess of \$11 billion, representing over 3 percent of all retail and services sales in Italy. The total number of people employed by the overall franchising sector reached 85,808 in 2000, accounting for a remarkable 14.6% increase over the previous year, and thus providing a major offset to severe unemployment problems. In

line with the growing importance of franchising, the government of Italy, through its agency Sviluppo Italia, makes available financial incentives aimed at the development of franchised networks in the country. (See the project financing section in Chapter 8 for contact information regarding Sviluppo Italia.)

Market Demand

The Italian business community has accepted the concept that franchising is the most innovative way to introduce a new business concept. The Italian population has shown to be receptive to the fast and efficient formulas provided by franchises. But at the same time, the Italian end-user is not always open to franchises for those services that are traditionally strong and consolidated in the country. Nevertheless, the Italian market's receptivity to the franchising concept appears to be steadily growing, particularly in the services sector.

End-User Profile

There is a vast difference in the economic makeup of the geographic regions of the country, as the north is more developed. The north has a large number of commercial, financial, and industrial enterprises and has double the per capita income rate of the south. Similarly, the local geographic distribution of franchising is disparate, with a concentration of franchising networks in northern Italy. However, recently, there are some indications that franchising is also gaining momentum in southern Italy, where it is perceived as a way to alleviate the effects of chronic unemployment.

Competitive Situation

Italy has an extremely fragmented distribution system. The predominance of small, family-owned stores and the disproportionately large number of point-of-sale outlets are viewed as cause of market inefficiency. The present retail system survives mainly due to the complexity and protective nature of existing regulations. However, there is now a noticeable move towards concentration in retail distribution, which creates economies of scale and more efficient management. Thus franchising seems to be increasingly a system well suited to Italy.

Franchising is relatively new in Italy with its inception in 1971, at the time when the Italian Franchise Association was founded. The beginnings were very slow and in 1978 there were only 15 franchisors in the country. But growth has escalated since, and from 1990-1995 there was a surge with 89% more new brands. Local companies in operation for a number of years and have achieved both success and profitability and have acquired name recognition worldwide.

The most developed franchising sector is the services sector, with 13,960 franchisees and 251 franchisors, while the personal products sectors ranks second, with 5,640 franchisees and 127 franchisors. Another very strong sector is specialty retail stores, with 69 franchisors and 3,428 franchisees.

The Italian business community views American franchising companies with a very open mind and recognizes their predominance in the sector. However, smaller American franchisors trying to find Italian master licensees face obstacles related to lack of name recognition in Italy and to inexperience with local business practices. The price for the

master license is almost always set too high and the assistance to be provided by the franchisor is often not spelled out clearly enough.

Best Sales Prospects

The sectors that appear to have the best potential are in the services area. New activities stemming from the "new economy" are making a breakthrough and concepts linked to Internet, e-commerce, telecommunications and information technology have a proven record of success. Other very promising and more consolidated areas are travel and tourism, education and training, fast delivery services, management and consulting services, and automotive services. Other good prospects are offered in fast food and hotels with a good brand recognition, and to personal items and fashion.

Legal Requirements

There is no specific legislation in Italy defining or regulating franchising. A proposed law has been submitted to the government and approval has been pending for a number of years. With the current change in government majority, it is estimated that the law will be approved in relatively short time. Pending the approval of the law, rules governing franchising are those issued by the EU Commission. In Italy a franchising agreement is governed by general contract law principles and is considered a bilateral agreement between separate business enterprises resulting in "collaboration", not "association", between parties. Franchising agreements are subject to the laws governing commercial contracts in general and to those governing sales of trademark licensing agreements in particular. The Italian Franchising Association (Assofranchising) has established a set of rules which reflect standards prevailing in the Italian business community and often taken into consideration in legal proceedings.

The development of the European Union has stimulated harmonization of trade, tariffs, legal requirements, standards and procedures. There are no trade barriers or limitations to the importation of US franchise business methods in Italy. However, due to the lack of specific Italian norms on franchising agreements, it is advisable that contracts be written in great detail when entering into an agreement with a master licensee.

The average validity of a franchising contract in Italy is 5 years in 40 percent of cases, 3 years in 19.4 percent and 6 years in 16 percent. An entry fee is required by 51 percent of franchisors, while royalties are requested by 70 percent of master franchisors. Most of the standard contracts provide comprehensive training programs, manuals and programs of regularly scheduled workshops for franchisees.

Financing

Financing tailored to franchising activities is a concept which is gradually penetrating the local banking system. At present only one leading bank has a program tailored to the specific needs of the sector, offers loans to franchising systems and has set up a specialized department to this end. Other leading banks have indicated an interest in approaching the franchising sector. However, the prevailing practice remains that financing is generally negotiated privately on a case-by-case basis between the master franchisor and the franchisees. Over 50 percent of the franchisors offer financing and leasing programs. Virtually all franchisees pay entry fees, royalties and contribute to advertising expenditures. Close to 80 percent of franchisor grant exclusive area

contracts, while 46 percent require total inventory turnover with a contractually based mark-up. More than 70 percent of the large companies offer assistance in the way of operations manuals, computerized management programs, assistance for the opening of the points of sale, as well as training seminars. Most companies hold annual conventions and provide newsletters and comprehensive assistance programs.

The cost of a franchise varies from a minimum of \$10,000 to an average cost of \$100,000 and escalates to \$300,000 and more.

DIRECT MARKETING

There are many logistical problems of operating a nation-wide sales network as well as managing the growing personnel and promotion costs. Part-time employment is presently restricted, although there are now some moves to liberalize regulations governing part-time employment. Marketing firms are developing new distribution techniques designed to employ the casual worker and to target groups of consumers by catalog, door-to-door sales, teleshopping or telemarketing. The most widely used methods of direct marketing are:

- Direct selling, mainly used in the nonfood sector.
- Mail order, catalog sales, or orders placed directly with the supplier.

Mail order marketing has been in Italy for approximately 15 years. Although direct marketing is considered a very effective marketing technique, it still remains a modest channel of distribution for Italian companies. One of the disadvantages of this technique, which may be overlooked by foreign investors, is frequent delays by the postal system. However, the establishment of a semiprivate nationwide express mail service, the proliferation of couriers, and the arrival of foreign parcel delivery services now offer alternatives to the national mail system.

Telephone direct marketing is growing faster than any other selling technique. With the development of new telephone equipment, the business world has turned to the use of the facsimile, making Italy the second largest per capita user in the world.

Teleshopping (home shopping through TV) is becoming a popular sales approach to reach the consumer. There are a number of privately owned television stations which mainly host telemarketing programs.

Telecommunications technologies are playing an increasing role in the process of restructuring the distribution system. Scanners, electronic cash registers, and display management systems are now common while computerized stock control systems, customer databases, and inventory control programs are being used only by the large distribution networks. The more sophisticated groups have also resorted to consulting services, resulting in technical cooperation agreements between a number of Italian and international chains.

Electronic Commerce

After a slow start, since 1999 Internet usage in Italy has experienced explosive growth. The number of business and home Internet users is booming: Internet users were estimated at over 12 million at the end of 2000, projected to reach 29 million by 2003.

Electronic commerce applications have taken off and, although they are still in their early stages, all trade sources concur that they will experience exceptional growth in the next two years. The total market value for e-commerce transactions in Italy was estimated at over \$1.1 billion in 1999 and at \$4.3 billion in the year 2000. It is projected to register revenues of close to \$8 billion in 2001 and to reach over \$ 50 billion by 2003. According to the market research company IDC, Web buyers are projected to increase from 960,000 in 1999 to 9.8 million in 2003.

The main factors fueling the development of e-commerce in Italy are expected to be: 1) improved internet access infrastructure; 2) recognition of e-commerce as a means to provide better support to customers and suppliers; 3) improved consumer protection legislation; 4) Italian legislation which recognizes the legal validity of digital signatures and digital contracts; 5) agreements between Italian banks and credit card operators to introduce Secure Electronic Transaction (SET) protocol; 6) new Italian government plans for accelerating the development of a new economy culture, ICT acceptance and e-commerce adoption; 7) initiatives of trade associations, major organizations and local governments to foster innovation and to promote e-commerce, especially among small- and medium-sized enterprises; 8) a mobile phone diffusion among the highest in the world, which will enable both the business and consumer segments to take advantage of new telecom technologies for e-commerce transactions (it is estimated that at the end of 2000 there were more than 42 million cellular phones activated, and 35 million cellular phone users) .

The growing complexity of network technologies and the need for specialized skills to implement e-business strategies is leading large and medium-sized Italian businesses to outsource services to supplement their in-house capabilities. It is expected that American e-commerce integrators and service providers will play a key role in providing the strategy, marketing, design, and technical services associated with developing an e-business culture and with building advanced e-commerce sites.

B2B & Virtual Marketplaces – According to recent surveys, 1.5 million Italian businesses were connected to the Internet at the end of the year 2000 -- out of a total of 3.4 million - - and 300,000 of them had a web site. Connected companies are expected to exceed 2 million by the end of 2001, and to become the norm by the year 2003.

Over 90 percent of Italian companies with more than 100 employees are connected to the Internet, while this rate falls to 70 percent for SMEs with between 10 and 100 employees. Many small enterprises are less inclined to innovate and have yet to invest in the Internet.

The Italian Government has recently approved an Action Plan to accelerate the diffusion of the New Information and Communication Technology (NICT) in the Italian economy. \$650 million was allocated for the year 2000 to promote NICT in private companies and schools, and over \$165 million was allocated to promote electronic commerce and new technologies in the textile, apparel, and shoe-making sectors. Trade associations, major organizations and local governments are also actively promoting initiatives to foster innovation and to promote e-commerce among SMEs by offering them hosting solutions

for both B2B and B2C e-commerce applications (malls, virtual marketplaces, portals, etc.).

Many Italian companies with a web site still utilize it only to create brand awareness, offer product information, and generate leads, but this is rapidly changing. The evolution of organizational business models and strategies has created the need for increased interaction with suppliers and customers. A growing number of large and medium sized companies are investing heavily in Intranet/Extranet infrastructure and are implementing web sales and purchasing applications to meet these needs.

B2B e-commerce transactions rose from an estimated \$ 970 million in 1999 to \$ 4 billion in the year 2000. They are expected to reach \$ 7 billion in 2001, and \$ 38.5 billion in 2003, with their relative weight growing constantly and producing a dramatic impact on the Italian economy, similar to what is happening in other countries. The most active players focusing on the implementation of B2B solutions are the telecommunications sector, the financial sector and the manufacturing sector.

Virtually all major Italian industrial groups are organizing for e-procurement, and it is predicted that in three years time at least half of all company purchases will be via e-procurement.

B2C Projects and Prospects – In the consumer segment, Internet subscriptions grew from 540,000 in 1998 to over 3.7 million in 1999, and to an estimated 4.5 million in the year 2000. Sales of PCs for home use are expanding and approximately 32.5 percent of Italian households now have one. The relatively low diffusion of personal computers has represented one of the major obstacles to the development of the Internet consumer market and of business-to-consumer e-commerce transactions. High telephone tariffs and cultural factors have also hindered development of this market segment. Free Internet access, combined with new Italian Government investments to foster ICT and have all Italian schools connected to the Internet by 2001, the increasing availability of inexpensive personal computers and set-top-boxes, and the decreasing costs of Internet-related telephone calls are acting as strong driving forces for the development of the sector. More importantly, as mobile phone diffusion in Italy is among the highest in the world, the Internet consumer market may be driven by the availability of web-enabled new-generation mobile phones.

Business-to-consumer transactions via the Internet have been marginal in Italy, but are forecasted to grow at a very high rate in the next two years. It is estimated that B2C transactions went from \$195 million in 1999 to \$350 million in 2000. They are expected to reach \$ 890 million in 2001, and \$ 11.5 billion by 2003.

The most promising sectors for B2C in Italy are computers and software, publishing, Internet music and videos, and bookings for entertainment events, vacation and travel. The media and publishing sector is increasing IT outlays to develop B2C solutions.

Financial Services – Banks are investing considerable resources in e-commerce applications both to sell their own home and corporate banking services, and to support the e-business strategies of their clients by developing virtual malls and portals and by supporting secure transactions. The on-line trading market took off in 1999, totaling 4 percent of all traded securities, a share that is forecast to increase to 20 or 30 percent in the next two to three years. It is expected that the number of clients utilizing on-line

trading services has grown from 200,000 in the year 2000, to 450,000 in 2001, and will grow further to 700,000 in 2002. Total investments in stocks and bonds are expected to increase from \$4 million in the year 2000, to \$11.5 million in 2001 and to \$19 million in 2002. The possibility of accessing financial markets through new generation cellular phones may contribute to the development of this market, and demand for specially developed smart cards should increase.

E-government – An important e-government action plan, calling for an investment of \$1.3 billion, has recently been approved by the Italian government within the framework of the European Union's E-Europe program. It aims to offer more efficient, more integrated, and higher quality public services, as well as Internet access to information and services for all citizens. Among the actions being taken are the creation of a nation-wide extranet, which will connect and integrate all central and local government networks; the creation of specific portals for accessing different government services; issuance of one million electronic ID cards/smart cards to allow easier access to public services; adoption of e-procurement at the central and local government levels; and countrywide promotion and use of digital signatures.

Interesting Internet sites:

osservatorio.ecom@minindustria.it (in Italian)

www.minindustria.it/Osservatorio/pol_ce_engl.index/html (for Italian legislation on electronic commerce in English)

www.bakerinfo.com/ecommerce (legal aspects of e-commerce in 33 countries)

Major Italian Search Engines:

<http://www.motoridiricerca.it/> (for a complete list)

<http://www.altavista.it/> (Italian version of AltaVista)

<http://www.virgilio.it/>

<http://www.iol.it/>

<http://excite.tin.it/> (Italian version of Excite)

<http://www.yahoo.it/> (Italian version of Yahoo)

<http://www.arianna.it/>

<http://www.godado.it/>

LEASING

It has become common to lease, rather than buy, certain types of machinery. The leasing of foreign machines is usually arranged with Italian clients through local branch offices or agents of foreign manufacturers established to provide this type of service. Leasing is complicated by the fact that the importation, payment of customs duties, and other related business formalities must be taken care of by a firm established in Italy. Such tasks would usually be done by either an agent of the foreign manufacturer or by the Italian lessee. Because the lessee is often not willing to assume the inconvenience of handling importation of leased equipment, local representation is usually necessary.

JOINT VENTURES / LICENSING

A joint venture (Associazione in Partecipazione) involves the participation by a supplier of capital in the profits of the business. The operator manages the business and is solely responsible for the obligations he or she assumes toward third parties. The

person furnishing the capital is responsible for any loss in direct proportion to his or her share in the net profit, limited to the amount of his/her original investment.

Joint ventures can be for one-time defined transactions with a definite duration (contractual joint venture) or a permanent cooperation between separate groups through the incorporation of a joint-stock company (corporate joint venture). Corporate joint ventures are now seen frequently in Italy.

Licensing in Italy allows foreign entities to profit from technology transfers of a formula, process or patent without the need to invest substantial capital. The Italian government imposes no exchange control limitations on the transfer of royalties abroad. Protection over the use and ownership of the technology transferred should be included in the terms of the licensing agreement.

STEPS FOR ESTABLISHING AN OFFICE

A foreign citizen wishing to establish temporary or permanent residence in Italy to administer a business or to manage a corporation should obtain a business visa for this purpose from one of the Italian Consulates in the United States. All individuals or firms in business in Italy must be registered with the local Chamber of Commerce, Industry and Agriculture. This is a quasi-government office, operating essentially as a field office of the Ministry of Industry and Commerce. To register with this office, an agent for a foreign company must produce a power of attorney duly notarized by Italian consular or diplomatic official in the country of the principal.

ADVERTISING AND TRADE PROMOTION

Advertising in Italy has grown rapidly in volume, importance, and sophistication. This growth in advertising has been accompanied by a proliferation of advertising agencies and an expansion of services. Along with Italian-owned agencies, there are joint ventures with other European or American firms. While some agencies specialize in specific services and media, a large number of full service agencies deal with all advertising aspects and have market research capabilities.

Advertising media are: newspapers, 35 percent; magazines, 35 percent; radio and television, 22 percent; movies, 2 percent; other methods, 6 percent.

Newspapers and magazines: The main means of product advertising in Italy is through daily newspapers. Newspapers work closely with advertising firms, both Italian and foreign. However, since the newspapers themselves do not maintain advertising departments, advertising firms must place their ads with special agencies commissioned by the papers to receive advertising for them.

Of about 90 daily newspapers in Italy, only a dozen or so are distributed throughout the country. While some 230 Italian and foreign periodicals are on sale in Italy, only about 20 have a large circulation (see list below).

Television: Italy is served by three public television networks operated by Radiotelevisione Italiana (RAI), a government-regulated company in which the state

owns a majority interest. The three networks carry commercials in programs all day long. There are also four major nationwide privately-owned television stations. In addition, some 100 private television stations are licensed for local broadcasting.

Radio: There are three radio stations owned and operated by RAI. These are on the air for more than 340 hours weekly, and commercial time is available. In addition to the three networks, there are hundreds of local radio stations and several national private stations.

Motion Picture Theaters: Wide use of film clips is made for advertising purposes. There are some 10,000 motion picture theaters in Italy and many regularly show advertising. The rates for advertising vary according to the show time and class of the theater. Advertising is shown during every intermission. Therefore, this medium may be used to reach a wide market and cuts across economic strata.

Posters and Billboards: Poster advertising is handled by a number of specialized companies, as is electric sign advertising, which is subject to special regulations. Poster advertisement on walls, along streets, in street cars, buses, and other means of transportation are used to reach the consumer market. Both posters and billboards are subject to the approval of provincial authorities and to payment of a tax on poster advertising.

Show Windows and Flyers: Show window advertising is extensively used in Italy. Displays are usually attractively done and show prices of the items for sale. Advertising flyers are in common use, and street banners are used also for special occasions. Loudspeakers are used for advertising at sporting events. Direct advertising, through the distribution of gifts, samples, and price reduction coupons, is frequently used to motivate consumers.

Trade Fairs: Exhibitions are a cost-effective method to enter a foreign market and meet a wide range of buyers interested in a particular industry sector. Sales professionals find that trade fairs attract extensive buyer attendance and frequently can be used to gauge acceptance and pricing of new products and to observe the competition. In the course of a few days, a new market entrant may be able to generate more qualified and motivated prospects than by using any other sales approach. Also, fairs are useful for finding an agent, distributor, or representative. The U.S. Department of Commerce frequently organizes U.S. pavilions at events that are identified as providing excellent prospects for American exporters. Information on participating in Italian trade fairs can be obtained from Department of Commerce Export Assistance Centers located throughout the United States.

For information about trade fairs at Fiera Milano (www.fmi.it), the large international trade fair site in Europe, firms can contact Fiera Milano's U.S. representative for information by calling 1-800 524-2193. They can also contact the U.S. Commercial Service in Milan at +39-02-659-2260. Fiera Milano organizes an extensive variety of international shows each year, and the U.S. Department of Commerce participates in some of these events.

Major Italian Newspapers:

AVVENIRE
Piazza Carbonari 3

20125 Milano
tel. +39-02-67801
fax. +39-02-678-0208
www.avvenire.it
lettere@avvenire.it

CORRIERE DELLA SERA
Via Solferino 28
20121 Milano
tel. +39-02-6339/628-27246
fax. +39-02-2900-9668/2900-9705
www.corriere.it/
astroni@rcs.it

LA DISCUSSIONE
Piazza del Gesù 46
00186 Roma
tel. +39-06-6902-0931/679-6564
fax. +39-06-6920-9333

IL FOGLIO
Viale Milano Fiori, STR.3. Pal. B/10
20090 Assago (MI)
tel. +39-02-575771
www.ilfoglio.it/
lettere@ilfoglio.it

LA GAZZETTA DEL MEZZOGIORNO
Viale Scipione l'Africano 264
70124 Bari
tel. +39-080-547-0400
fax. +39-080-547-0488
gazz@interbusiness.it

GAZZETTA DEL SUD
Via Ubeto Bonino 15/C
98124 Messina
tel. +39-090-2261
fax. +39-090-2936-359/2932-063
www.gazzettadelsud.it
info@gazzettadelsud.it

GIORNALE DI SICILIA
Via Lincoln 21
90133 Palermo
tel. +39-091-662-7111
fax. +39-091-662-7280/617-7517
www.gds.it
info@quotidianodelsabato.it

IL GIORNALE

Via Gaetano Negri 4
20123 Milano
tel. +39-02-85661
fax. +39-02-7202-3859/80

IL GIORNO
Piazza Cavour 2
20121 Milano
tel. +39-02-85661
fax. +39-02-72023859
<http://ilgiorno.monrif.net/>

IL MANIFESTO
Via Tomacelli 146
00186 Roma
tel. +39-06-687-191
fax. +39-06-689-2600/6871-9573
www.ilmanifesto.it
redazione@ilmanifesto.it

IL MATTINO
Via Chiatamone 65
80121 Napoli
tel. +39-081-794-7111
fax. +39-081-794-7288
www.ilmattino.it

IL MESSAGGERO
Via del Tritone 152
00187 Roma
tel. +39-06-47201
fax. +39-06-472-072
www.ilmessaggero.it/indexmsgsr.htm

LA NAZIONE
Via Ferdinando Paolieri 2
50121 Firenze
tel. +39-055-87951
fax. +39-055-234-3646
<http://lanazione.monrif.net/>

L'OSSERVATORE ROMANO
Via del Pellegrino
00120 Citta' del Vaticano
tel. +39-06-6988-3461
fax. +39-06-6988-3675
www.vatican.va/news_services/or/home_ita.html
ornet@ossrom.va

IL PICCOLO
Via Guido Reni 1
34123 Trieste

tel. +39-040-373-3111
fax. +39-040-373-3283
www.ilpiccolo.it
piccolo@ilpiccolo.it

IL POPOLO
Via del Gesù 62
00186 Roma
tel. +39-06-695071
fax. +39-06-6994-2377

LA REPUBBLICA
Piazza Indipendenza 11/b
00185 Roma
tel. +39-06-49821
fax. +39-06-4982-2923
www.repubblica.it
larepubblica@repubblica.it

IL RESTO DEL CARLINO
Via Mattei 106
40138 Bologna
tel. +39-051-536-111/530-202
fax. +39-051-532-990
www.ilrestodelcarlino.monrif.net

IL SECOLO XIX
Piazza Piccapietra 21
16121 Genova
tel. +39-010-53881
fax. +39-010-538-8426
www.ilsecoloXIX.it
redazione@ilsecoloxix.it

LA SICILIA
Viale Odorico da Pordenone 50
95126 Catania
tel. +39-095-330-544
fax. +39-095-338-073/336-466

IL SOLE-24 ORE
Via Lomazzo 52
20154 Milano
tel. +39-02-30221
fax. +39-02-3454-9701
www.ilsole24ore.it
info@ilsole24ore.it

LA STAMPA
Via Marengo 32
10126 Torino

tel. +39-011-65681
fax. +39-011-655-306/310-0759
www.lastampa.it
online@lastampa.it

IL TEMPO
Piazza Colonna 366
00187 Roma
tel. +39-06-675-881
fax. +39-06-675-8869/315

L'UNITÀ
Via dei Due Macelli 23/13
00187 Roma
tel. +39-06-699-961
fax. +39-06-678-3555
www.unita.it/
posta@unita.it

Major Italian Business Journals:

L'ESPRESSO
Via Po 12
00198 Roma
tel. +39-06-84781
fax. +39-06-884-5603
www.espressoedit.kataweb.it/

ITALIA OGGI
Via Marco Burigozzo, 5
20122 Milano
tel. +39-02-582-191
fax: +39-02-5831-7559
www.italiaoggi.it
italiaoggi@class.it

MILANO FINANZA
Via Marco Burigozzo, 5
20122 Milano
tel. +39-02-582-191
fax: +39-02-5831-7518
www.milanofinanza.it
mf-milanofinanza@class.it

PANORAMA
Viale Mondadori 1
20090 Segrate (MI)
tel. +39-02-75421
fax. +39-02-7542-2513
www.mondadori.com/panorama

IL MONDO
Via Angelo Rizzoli 2
20132 Milano
tel. +39-02-25841
fax. +39-02-2584-3880
www.ilmondo.rcs.it
ilmondo@rcs.it

Largest Advertising Agency Trade Association:

ASSAP:
Associazione Italiana Agenzie di Pubblicità a Servizio Completo
Via Larga 23
20122 Milano
Tel: +39-02-5830-7450
Fax : +39-02-5830-7147
www.assocomunicazione.it

Advertising Agencies:

Armando Testa
Via Luisa del Carretto 58
10131 Torino
Tel. +39-011-8810111
Fax: +39-011-8810367
www.armandotesta.it

Young & Rubican Italia
Piazza Eleonora Duse 2
20122 Milano
Tel: +39-02-77321
Fax: +39-02-7600-0904
www.yr.com

McCann-Erickson Italiana S.p.A.
Via Albricci 10
20122 Milano
Tel: +39-02-85291
Fax: +39-02-801207
www.mccann.com

BGSD'ARCY
Corso Galileo Ferraris 24/A
10121 Torino
Tel: +39-011-5601911
Fax: +39-011-5175300

Via Correggio 18

20149 Milano
Tel: +39-02-4679.1
Fax: +39-02-4818633

J. Walter Thompson S.p.A.
Via Paolo Lomazzo 19
20154 Milano
Tel: +39-02-336341
Fax: +39-02-33634400
www.jwalterthompson.com

Lowe Lintas Pirella Gottsche
Via Pantano 26
20122 Milano
Tel: +39-02-726031
Fax: +39/02/6597722

Milano & Grey S.p.A.
Via Bertani 6
20154 Milano
Tel: +39-02-3453-0145
Fax +39-02-3453-0785

Leo Burnett Company
Via Fatebenefratelli 14
20121 Milano
Tel: +39-02-63541
Fax: +39-02-2900-5229
www.leoburnett.it

Euro RSCG
Via Dante 7
20123 Milano
Tel: +39-02-802021
Fax: +39-02-7200-0027

Saatchi & Saatchi
Corso Monforte 52
20122 Milano
Tel: +39-02-77011
Fax +39-02-781196
www.saatchi_saatchi.it

PRICING PRODUCT

When providing the Italian buyer with a price quote, American firms most frequently provide a quote that includes sales price plus packing costs, insurance, and freight to the named point of destination. This is called the c.i.f. price. The average Italian business representative can then usually determine the charges for customs, taxes, and local transportation to arrive at the final landed cost to the importer. The customary terms of

sale in Italy are either cash on delivery (which is rare) or settlement 60-120 days after invoice date (more common).

Sales made on cash terms call for payment before delivery, on delivery, or shortly after delivery -- usually within 10 days from the date of delivery. A two to five percent discount is made for payment of the full amount of the transaction at the end of the specified period from 1 to 4 months from the date of the invoice. The length of the period depends on the commodity involved, the credit standing of the buyer, and the marketing and sales objective of the seller. A period of up to 2 years is often allowed for payment of capital goods, store equipment, trucks, and similar heavy equipment.

Italian firms indicate that some American suppliers are too rigid in their payment terms and have thus lost business to other suppliers. Financing is considered as much a competitive factor as the product itself, the delivery date, or after-sales service.

While some U.S. manufacturers request payment upon receipt of the goods, more successful sellers are offering terms allowing settlement of the account from 60 to 120 days following the invoice date, which is the most common practice in Italy. The use of irrevocable letters of credit for the Italian market has declined appreciably in recent years. Although such instruments are still required by American exporters, especially when the Italian customer's credit reputation is not well known, the growing reluctance of Italian firms to provide letters of credit has required American exporters to turn to other methods to assure payment or lose the sale to other suppliers in the competitive Italian market. The Italian businessperson is reluctant to pay a high fee for a letter of credit when other suppliers or means of payment are available. American firms have put to greater use the export credit insurance and guarantee programs available through the Foreign Credit Insurance Association (FCIA).

Quotes and Payment Terms

Italian importers generally prefer price quotes on a c.i.f. basis, since they are usually familiar with the Italian customs charges and value-added taxes levied on the product at the time of importation, but may not be acquainted with U.S. costs for trucking, ocean, or air freight. Large Italian firms and department stores, however, may prefer to buy on other terms when they arrange for the shipping and insuring the goods. Quotes and invoicing are usually in terms of the currency of selling country.

American quotes, usually stated in dollars and on a f.o.b. basis, are completely acceptable to Italian buyers. The usual practice of American firms selling to a new customer is to require cash against documents for the first sale or two. After establishing credit, the importer will expect to pay by 30-, 60-, or 90-day letter of credit. In all cases, the American exporter will have to decide how to strike a balance between making the sale perhaps more easily with liberal financing terms versus striking a sale by seeking more secure payment terms. When first starting out, American firms may often find it necessary to offer their best price and payment terms in order to land the sale in the competitive international market. Later, prices may be adjusted as sales and volume permit.

The Italian buyer may request a quote or shipment of goods under INCOTERMS. This is a set of international rules defining the important commercial terms and practices. By referencing INCOTERMS in contracts or invoices, both buyer and seller will have a

uniform understanding of their responsibilities in an agreement. Copies of the 90-page publication Guide to INCOTERMS are obtainable from ICC Publishing, 156 Fifth Avenue, New York, NY 10010, (212) 206-1150. Exporters can also obtain information from the Dun & Bradstreet Exporters' Encyclopedia.

Merchandise may be examined by the Italian importer before customs clearance for inventory purposes. Goods cannot clear customs without shipping documents and payment of any required customs duty, applicable value-added taxes, and excise taxes. These formalities must be undertaken by the importer at the time of clearing customs. Import licenses, if required, should be presented by the importer within the period for which they were issued.

SELLING TECHNIQUES / SERVICE / CUSTOMER SUPPORT

An American company that is successful in Italy becomes so because its products are marketed with the same diligence employed in the U.S. market. Whether the firm establishes a manufacturing operation or a sales branch, or appoints a commission agent, a stocking distributor, or a combination agent/distributor, the American exporter must make a long-term commitment to exporting and follow sound marketing practices in order to sell successfully in the Italian market. A key factor in this commitment to serving the overseas buyer is the local stocking of parts and giving priority to immediate air shipments upon the request of the European customer.

An American company that is entering the competitive Italian market is advised to commit the resources needed to market the products properly and establish long-term sales to achieve maximum sales volume. The appointment of a resident representative is extremely important. For business promotion and market knowledge, there is no effective alternative to a resident representative who is part of the local business community and readily available to customers. Having a local representative is particularly important when the product is complex and may be expected to require follow-up service or modification. Local representatives are familiar with the product and needs of the customer and are in a position to solve problems. Personalized service is frequently demanded by customers, creates goodwill, and often stimulates repeat sales. Technical manuals and promotional literature should be in Italian. Italy is a competitive market where reliability is important. Local representatives with solid reputations and promotional material in Italian reflects a commitment to customer service and enhances the prestige of the American firm.

A number of U.S. firms maintain their own sales organizations in Italy. Still others sell through specialized importers or appoint sales agents who often are manufacturers' brokers. A large, well-established Italian firm with an efficient nationwide sales organization is likely to insist on an exclusive arrangement. About 7,500 U.S. firms are represented in the Italian market through agents, branches, subsidiaries, or licenses. Of these, nearly 850 have a substantial direct capital investment in the form of stock as a sole owner or partner in an enterprise. Generally, the sales territory includes all of Italy. In other cases, the territory also covers the entire European Union, depending on the type of product and degree of technical support needed. Italian distributors also have excellent contacts with Eastern Europe and the Mediterranean Basin.

SELLING TO THE GOVERNMENT

The Italian government does not typically purchase goods and services abroad unless they cannot be procured locally through domestic sources, which would include subsidiaries, branches and agents of American companies. In order to be considered as a source for Italian government purchases, it is recommended that the American firm be represented by an agent/distributor rather than try to deal directly with Italian government agencies.

Each of the Italian agencies maintains its own list of contractors and suppliers. Therefore, U.S. firms need to contact each agency directly to establish their eligibility. U.S. companies must first establish their financial and technical capabilities by presenting them directly to the Italian agencies.

NEED FOR A LOCAL ATTORNEY

American companies which are interested in setting up agencies, distributorships, licenses or joint ventures are encouraged to seek professional legal advice and counsel. The American Embassy in Rome and the individual Consulates maintain a list of lawyers (according to geographic jurisdiction) which is available to the public.

PERFORMING DUE DILIGENCE

Information on specific Italian firms is available from a variety of private agencies. American companies can contact their local U.S. Department of Commerce Export Assistance Center for a listing of firms offering this service. In addition, this section includes a list of Italian private sector firms which provide this service. American banks also provide credit information services.

Just as the terms of any sales offer should be presented in a clear and detailed manner, shipments should conform to the contract and to any samples, which may have been sent to the Italian importer. Special attention should be given to the prompt observance of agreed delivery schedules, as prompt delivery may be a decisive and possibly an overriding consideration of the importer in placing additional orders. When shipping on letter of credit, all terms specified on the letter of credit must be strictly observed. If the terms are not followed, the letter of credit may not be honored by the issuing bank.

Italian private sector firms providing background information checks:

Dun & Bradstreet Kosmos S.p.A.
Via di Valtorta, 48
20127 Milano
Tel: +39-02-284-551
Fax: +39-02-287-2181
www.dnb.com
Dnb_italia@dnb.com

Lince S.p.A.
Corso Vittorio Emanuele, 22

20122 Milano
Tel: +39-02-77541
Fax: +39-02-7602-0458
www.linceonline.it
lince@lince.it

Ponzi S.p.A.
Corso Monforte, 9
20122 Milano
Tel: +39-02-7600-2821
Fax: +39-02-781-515
www.ponzi.com
ponzi@ponzi.com

MARKETING U.S. AGRICULTURAL PRODUCTS AND SERVICES

The Italian market for U.S. agricultural products is alive and well, having grown almost 11 percent in 2000 despite the strong dollar. Socio-economic and demographic changes have had a very positive impact on the Italian consumer market. There are many more singles and senior citizens who have disposable income and are interested in new and foreign products. These consumers want consumer ready products, (possibly in single portion packages), and are willing to pay the price for high quality food.

Notwithstanding the high value of the U.S. dollar versus the EURO, the Italian market seems interested in importing quality U.S. consumer goods regardless of the higher costs. There are however, a few constraints affecting the export of U.S. products:

1. EU policy and health regulations. There are strict regulations issued by the EU to control the sale of health/dietetic and organic food products.
2. Consumer resistance to biotech products/ingredients. Pressure from environmental groups, supported by a Green Agricultural Minister until June 2001 (no longer part of the new Berlusconi Government), have resulted in several policies that limit the use of biotech products in Italy. In August of 2000, the GOI unilaterally, banned the use of the 4 EU approved corn products based on an argument that the products should have been approved following a full EU review and not based on substantial equivalence. In addition, Italy also unilaterally banned the use of GM products in baby food. In both cases, a zero tolerance is expected for adventitious biotech presence. Few, if any consumer products containing more than the 1% GM threshold for labeling are found at the retail level out of importer and supermarket chain' concern of a consumer backlash.
3. BSE and other animal diseases. The recent outbreak of BSE and Foot and Mouth disease in many European countries has severely affected the meat market in Italy and the E.U. Beef consumption has dropped to an all time low. This situation is creating strong demand for pork and non-hormone treated beef.

The Italian Hotel/Restaurant and Institution Food Product sector is also booming, and is expected to grow even more in the future. Last year Italy had an additional one million tourists for the Catholic Jubilee at the Vatican, and expectations are that levels will stay high. Italy is the world's fourth largest tourist destination attracting millions of tourists

every year. New traditional and ethnic restaurants are expanding relatively quickly in Italy largely due to the tourist demand. Not only do the tourists enjoy eating out, the younger generations are also hooked on ethnic food restaurants, with many adults going out to restaurants regularly as well. This huge demand presents enormous potential for quality U.S. food manufacturers in this industry sector.

Italy continues to play a major role in the organic and natural food sector, both as a producer/exporter of bulk organic and natural food products and as a consumer. The Italian organic food sector is enjoying a healthy expansion, as Italians are becoming more health conscious. The media has had a major role in this increased interest in organic/natural foods, particularly by constant reporting on food safety problems such as BSE, dioxin, and other food safety problems. Focus is placed on the nutritional/health aspects of organic products, making them desirable and very trendy.

U.S. participation in this market to date has been limited due to the strict import certification requirements (which should be resolved following the development of the U.S. Federal Organic Regulations,) and limited knowledge of the type of product available. In addition, many competitors within the EU can offer cheaper prices and faster deliveries.

As the Italian economy grows and strengthens, so does the Italian consumer's buying power, with increased disposable income. As the pet sector expands, new opportunities will arise for unique and high quality U.S. products. Italy is the fourth largest pet sector in Europe, with total turnover for the pet food market at USD 2.1 million. Quality U.S. pet food has developed a profitable market share in Italy. However, competition is fierce as there are already many players in the pet food market. U.S. pet food manufacturers need to compete with pet food produced by EU and non-EU countries, which already are present in the sector.

The Italian Retail Food Sector in the north has grown rapidly in the last few years, expanding from the traditional mom and pop local store to an ever increasing number of hyper-markets, supermarkets and self service grocery store chains. This retail evolution has brought with it a wider selection of merchandise, better service and quality of food. The Italian consumer is becoming accustomed to buying all of their food products in one large store, versus going to several smaller specialty shops. Competition is fierce, as many foreign owned hypermarkets have started to penetrate the Italian market forcing the Italian grocery store chains to increase the number and quality of products offered. The growth of hyper and super markets in the south is much slower.

The ongoing socio-economic and demographic changes have also had an impact on the Italian retail food market, as the average consumer has more disposable income and is more well traveled, (therefore is interested in foreign/exotic foods). In addition, the number of singles is on the rise both among the young and the older generations, forcing retailers to cater to their desire for single portion, ready made food products.

CHAPTER 5: LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

A. BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES

Following is a listing of non-agricultural products and services which are considered to offer particularly good opportunities for U.S. exporters. Sectors are listed in rank order

based on estimated import market size. Statistics are unofficial estimates based on best available data and industry sources. The U.S. Commercial Service in Italy organizes special trade promotion events in many of these and other sectors. For more information please contact the U.S. Commercial Service at the American Embassy in Rome or the American Consulate General in Milan, Italy (see chapter 11 for contact information).

1. Computer services
2. Computer software
3. Management Consulting Services
4. Computers and Peripherals
5. Travel and Tourism
6. Medical Equipment
7. Franchising
8. Pollution Control Equipment and Services
9. Telecommunication Services
10. Airport and Ground Support Equipment
11. Insurance Services
12. Pet Products
13. Automotive Parts and Service Equipment
14. Electric Power Systems

Rank of Sector: 1

Name of Sector: COMPUTER SERVICES

ITA Industry Code: CSV

The computer services sector was one of the most dynamic sectors within the Italian Information and Communication Technology (ICT) market in 2000, registering growth of 15.6% over 1999 (in Italian Lira). The market is expected to remain strong in the next three years. Italian companies are increasingly investing in ICT solutions as a means to implement new business strategies and face the challenges of the new Web Economy.

Internet-related services to support intranet/extranet and electronic commerce solutions represent the area with the greatest short-term development potential. Italian companies are investing heavily in solutions and services for improvement of systems and network design and integration; web hosting; integration of Web and e-commerce solutions with ERP, supply chain management and customer relationship management solutions; data warehousing solutions to support knowledge management, decision support systems, business intelligence, document management, integrated logistics, sales force automation, and customer care services. Other services that are developing rapidly are transaction and payment management, Internet customer service, e-procurement and security management, production procurement, maintenance, repair and operating (MRO) solutions, home banking, and online financial services.

The growing complexity of technologies, resulting from the convergence of information technology and telecommunications and from the widespread utilization of the Internet and Intranet, is leading Italian companies to use external service providers to supplement their in-house capabilities.

Global outsourcing and "selective" outsourcing services (data processing, hardware/software maintenance, applications management, network management,

desktop management and disaster recovery services) grew 26.5% in 2000, and are expected to be increasingly utilized as tools to operate efficiently and cost-effectively.

The U.S. dominates the market and its superiority in this sector is widely recognized. Good opportunities exist for new-to-market U.S. companies offering highly specialized and integrated services and who are willing to team up with well-established Italian firms.

Data Table (USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	7,740	7,745	8,910
Total Local Production	5,060	5,030	5,620
Total Exports	310	300	310
Total Imports	2,990	3,015	3,600
Import from the U.S.	2,230	2,290	2,850
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

Rank of Sector: 2

Name of Sector: COMPUTER SOFTWARE

ITA Industry Code:CSW

The Italian computer software market is estimated at over 3 billion dollars and is Europe's fourth largest. Application software accounts for 60 percent of the total market, and systems software for 40 percent (middleware accounts for 58 percent of systems software).

The market for software products recorded another positive year in 2000, with a 13.7 percent growth over 1999, an increase that exceeded that of other major European countries. Application software increased by 16.7 percent and system software rose 9.5 percent. (Within the system software segment, middleware grew by 11.8 percent.) Italian companies are investing increasingly in innovative information technology as they adopt Customer Relationship Management, Supply Chain Management, Data Warehousing, Business Intelligence and e-procurement solutions.

Although the IT market is still related to large and medium-size organizations, demand from small and medium sized enterprises (SMEs) and consumers was strong in 2000 as Internet and e-mail usage continued to spread.

Market analysts forecast a continuing cycle of dynamic growth. Italy relies heavily on foreign production of software, which account for approximately 75 percent of the total market. The United States is the leading exporter of multiple platform and application software, with a share of over 80 percent of imports. The Italian climate for U.S. software will continue to remain favorable as the market recognizes the supremacy and innovative quality of American products.

Data Table (USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
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Total Market Size	3,234	3,183	3,533
Total Local Production	2,070	2,003	2,243
Total Exports	349	380	441
Total Imports	1,513	1,560	1,731
Imports from the U.S.	1,035	1,268	1,419
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

*Sales by Italian subsidiaries of U.S. companies are included in Total Local Production and include sales to the captive market.

**Imports from U.S. refer to direct sales from U.S.-based suppliers or through Italian distributors.

Rank of Sector: 3

Name of Sector: MANAGEMENT CONSULTING SERVICES

ITA Industry Code: MCS

The Italian market for management consulting was estimated at USD 1.8 billion in 2000 (excluding earnings additional to fee income, such as software licenses, etc.). Although Italy still is a low consulting-intensity market, consulting is in an unprecedented period of growth, with yearly increases of 15% or more. Information technology consulting accounts for 37% of total revenues (with "pure" IT consulting totaling 14% and IT systems development/integration 18%). Corporate strategy consulting has a share of about 37% of total fee revenues (with strategic planning totaling 15% and financial advisory 11%). Operations management and human resources consulting total 18% and 8% of total revenues, respectively. In 2000, the manufacturing sector and the banking and insurance sectors were the biggest purchasers of management consulting services, each with 30% of the market. They were followed by communication and transportation (18%), and the central & local governments (5%).

The market in Italy is comprised of about 2,900 firms with nearly 23,000 people, and is divided among global competitors (most of which are of U.S. origin) offering a full-range of state-of-the-art products, a few "national champions", and a number of local or niche players and "gurus". Concentration is lower than in other European countries, with the top 20 firms taking about 40% of overall fee revenues.

Most big multinational consulting firms are well established in the Italian market. Multinational firms are said to make up as much as 55% of the market (and U.S. firms about one third). The largest consulting firm in Italy is Accenture (formerly Andersen Consulting), which employs over 4,000 people. In addition to consulting, Accenture (like other important consulting firms) provides technology and solutions in the area of information services, as well as outsourcing services in the area of administration and financial control. The top Italian firms include Consiel, Praxi, Soges, Elea, Monitor, Value Partners, and GEA.

Issues such as e-business, implementation of ERP systems, globalization/internationalization, mergers and acquisitions are said to be key drivers for management consulting services in the near future. Both private and public organizations offer

opportunities. Public service companies and government agencies are slowly but steadily re-organizing and reviewing their operations to achieve higher efficiency. In particular, utility companies -- which used to hold monopoly positions in the telecommunications, energy, and transportation sectors -- are now faced with challenging liberalization and privatization processes.

Solid knowledge of the local regulatory environment and market conditions, as well as unique know how in specialized sectors/functions and adequate international experience have become pre-conditions for effectively competing in this market. American consulting firms considering entering the Italian market should therefore explore the possibility of teaming up with Italian partners.

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	1,760	1,800	2,070
Sales by Local Firms	870	885	1,015
Exports by Local Firms	75	95	125
Sales by Foreign-owned Firms	965	1,010	1,180
Sales by U.S.-owned Firms	585	600	685
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

Rank of Sector: 4

Name of Sector: COMPUTERS AND PERIPHERALS

ITA Industry Code: CPT

The computer and peripherals sector is forecast to remain one of the very best prospects for U.S. imports in the next three years. Computer hardware sales in 2000 were up 11 percent over 1999 (in Italian Lira), thanks to the explosive growth of the Internet, which registered over 12 million Italian users at the end of 2000.

The current re-structuring of Italian business is impacting the development of the market. Italian companies - - from small to large - - are investing in ICT technologies, as a means of strategic innovation to implement business process re-engineering, improve communications and expand the company's clientele. Information systems are being upgraded or substituted in order to adopt the most innovative solutions, from networking and Internet/Intranet based applications to e-commerce applications.

Personal computers played a key role in the computer hardware market growth, representing about 50 percent of the market value with sales of \$3 billion (up 18 percent over 1999). The total number of PCs sold went from 2,365,000 in 1999 to 2,781,000 in 2000, a growth of 17.6 percent. Sales of notebooks registered the highest growth rate (62.8 percent), with 666,500 units sold in 2000. Sales of desktop computers grew 9.2 percent, mainly thanks to the consumer market, which is an expanding portion of the market and now represents 33 percent of the total PC market. Total sales of higher performance midrange servers supporting Web based applications grew 6 percent.

The increasing need for networking and Internet/e-commerce technologies is also one of the major driving forces in the growth of this sector. The market for LANs and WANs is rapidly developing, and the need for network systems offering increased resource sharing capabilities, advanced enterprise communications features, integration of data, as well as voice and images on standard platforms, is growing as well. Excellent prospects exist for intelligent hubs, LAN and ATM switches, bridges and routers, gateway products, remote access servers, network interface cards, network security systems, and protocol conversion hardware.

U.S. technology and standards are highly regarded. The best opportunities for success lie with American companies offering innovative and sophisticated products, and who are willing to team up with well-established Italian firms for distribution or joint venture agreements.

The above statistics are unofficial estimates.

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	5,805	5,580	6,100
Total Local	5,420	5,100	5,560
Production			
Total Exports	3,445	3,300	3,600
Total Imports	3,830	3,780	4,140
Imports from the U.S.	1,535	1,650	1,800
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

Rank of Sector: 5

Name of Sector: TRAVEL AND TOURISM

ITA Industry Code: TRA

Italy ranks fourth among the world's top tourism destinations, and is second in total receipts. At the same time, Italy is a country where taking a vacation is a must and a national tradition. In 2000, 70% of Italians said they took at least one vacation in the past three years, while 60% took at least one vacation in the previous year (and 23% two to four vacations in the previous year).

Italy has a high percentage of outbound travelers. One third of the Italian adult population travels abroad every year and all surveys indicate a high propensity of Italians to travel abroad. Since 1997, Italy has become the fifth largest spender in international travel.

The U.S. is the most preferred long haul destination for Italian tourists. Italy is the fourth largest market in Europe for the U.S. tourism industry -- after the United Kingdom, Germany and France -- and the seventh in the world. Italian tourists to the U.S. are among the largest spenders with an average per capita daily expenditure of \$117 in 1999.

Despite the unfavorable exchange rate for Italians, the number of Italian visitors to the U.S. has been growing constantly in the past few years, increasing from 527,000 in 1994 to 626,000 in 1999. In 2000, Italy experienced higher-than-expected inflation that affected real disposable incomes. This, coupled with the increasingly unfavorable exchange rate with the dollar, affected travel to the U.S. with a two- percent decrease in arrivals.

Despite the recent slight decrease in arrivals, all major players in the “travel to the U.S. sector” indicate growth prospects for the Italian market, and America is expected to remain at the top of preferred long-haul destinations. The level of appreciation of the vacation in the U.S. is such that the number of repeat visitors is increasing steadily. Besides New York, California and Florida, invariably the most visited states by Italians, there are several emerging popular destinations such as Nevada, the Rocky Mountain Region, and the New England. The success of the latter destinations may be related to targeted marketing and promotional efforts in Italy by the tourism authorities of those states.

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Outgoing Travel	18,200	17,000	17,350
Travel to the U.S.	2,850	2,650	2,700
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

Rank of Sector: 6

Name of Sector: MEDICAL EQUIPMENT

ITA Industry Code: MED

The Italian National Healthcare System (SSN) was established in 1978 to provide essentially free medical care to all Italians. Thus, the SSN is by far the major healthcare provider in Italy. The Ministry of Health, through triennial national health plans, establishes the fundamental objectives of healthcare, including preventive care, therapy and rehabilitation. It defines the level of healthcare guaranteed to all citizens and issues guidelines for the organization, delivery and funding of healthcare services paid by the SSN. The 20 Italian Regions, which have the primary role in setting and implementing healthcare policies, are responsible for developing regional health plans and for organizing and delivering healthcare services through local "Health Units". The SSN receives its funding through the National Health Fund, appropriated every year through the Government of Italy's budgetary legislation.

Public hospitals account for 75 percent of total expenditures for medical equipment and products, with the balance being held by private healthcare facilities. In addition, the SSN purchases a significant portion of healthcare services from private providers. The SSN has jurisdiction over 1,002 public hospitals with a total of 311,000 beds. The private healthcare service providers account for 680 private and independently operated clinics, with a total of 74,000 beds. The latest trend shows an increase in the number of private healthcare facilities over public hospitals.

The Italian market for medical equipment relies heavily on imports. Major suppliers are the United States and Germany. Domestic production is limited in sophisticated and hi-tech medical equipment and products, those for which investments in R&D are of critical importance. Local production is good in such areas as radiology, dental and ultrasonic equipment. A large percentage of medical equipment in use is obsolete, with potentially adverse effects on patients. Recently, the SSN has altered its budgetary policy and authorized an increase in capital goods expenditure. As a result, the market for medical equipment has improved and the future is more promising in terms of business opportunities. Prices are considered to be the primary factor in purchasing decisions. Effective June 1998, Italy has implemented a special certification program, known as CE mark, which is an EU-wide certification standard covering the majority of medical products, equipment and services.

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	2,610	2,491	2,690
Total Local Production	1,065	1,016	1,100
Total Exports	285	271	290
Total Imports	1,830	1,746	1,880
Imports from the U.S.	1,020	1,030	1,080
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

Rank of Sector: 7

Name of Sector: FRANCHISING

ITA Industry Code: FRA

In its 30th year of existence in Italy, franchising has been growing constantly and forecasts for the next three years indicate that the positive trend will be maintained. Franchising plays a significant role in the Italian economy and is perceived as the most innovative way to introduce a new business concept in Italy. Cognizant of franchising's significant contribution to the economy, the Italian Government, through its agency Sviluppo Italia, has financial incentives for the development of franchised networks.

In 2000, the number of franchisers reached a total of 562, while franchisees are estimated at 31,439, an 11.8% increase over 1999. The total number of employees in franchising operations has risen to 85,808, a remarkable 14.6% increase over the previous year and a major contribution to offsetting unemployment in certain areas of the country.

Franchising services in areas derived from the new economy are making a breakthrough, and activities linked to Internet, E-commerce, telecommunications and information technology are on the forefront of success. Despite complex bureaucratic hurdles, there has been continued expansion of new and existing franchising operations.

Advanced franchising concepts are influencing the still fragmented Italian retail distribution system, which is gradually being replaced with more modern distribution methods.

The most dynamic sectors are services, with 251 franchisers, and personal items, with 127 franchisers. Adaptability to the Italian business and cultural environment and flexibility in setting master license fees are key factors for the successful introduction of a foreign franchise.

In Italy 34 U.S. companies operate through a master franchisee, out of a total of 71 foreign franchisers present. France is second both in terms of franchisers and franchising units. The Italian business community views American franchise companies with a very open mind and recognizes their predominance.

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	11,580	11,237	12,340
Total Local Production	11,420	11,047	12,150
Total Exports	875	857	960
Total Imports	1,035	1,047	1,150
Imports from the U.S.	710	760	880
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

Rank of Sector: 8

Name of Sector: POLLUTION CONTROL EQUIPMENT AND SERVICES

ITA Industry Code: POL

The pollution control equipment and services market in Italy provides one of the best prospects for U.S. products, technologies, and services. Environmental issues are presently of great public interest, due to the increasing impact of pollution in Italy. The Italian Government fully recognizes these problems and is moving forward both at the structural level and through individual projects. Italian industrial companies are also placing increasing emphasis on waste minimization and pollution prevention in production processes and recycling projects.

The Italian government has implemented EU directives on waste, hazardous waste, and waste packaging and is applying these laws in Italy. Italy has also enacted a "Water Safeguard Law," a comprehensive reform of Italy's water quality/discharge. Italy's water collection and distribution systems, as well as its urban wastewater sewage and purification systems are clearly inadequate. According to the Italian Environmental Ministry, 30 percent of Italy's sewage is not treated at all before discharge, and only 39 percent of the population has access to adequate sewage treatment. Progress at the structural level has been slow but water treatment projects that have been delayed for years are now being planned. In Italy's Southern regions, funding from the European Union is also helping to move wastewater treatment projects forward.

New local government programs and the growing awareness of environmental problems will also stimulate recycling and treatment of non-hazardous and hazardous materials, such as plastic, glass, paper, spent household batteries, pesticides, containers of toxic and flammable materials, and oils and emulsions.

The implementation of the EU Directive on the prevention, re-use and recycling of Waste Electrical and Electronic Equipment (WEEE) will most likely open potential market opportunities for U.S. firms, especially those engaged in waste management, recycling and waste recovery technologies, new product development and technological innovation.

The Italian industry is largely dependent on foreign expertise for know-how. In particular, U.S. products and technologies are highly regarded. Competition in the marketplace is fierce, but demand is strong for truly innovative products and services. Moreover, Italy's strategic position in the Mediterranean Basin makes it an ideal gateway to the emerging markets of Eastern Europe, as well as North Africa, and the Middle East. Italian companies specializing in turnkey operations have strengthened their position in foreign markets and developed excellent contacts there. As a result, the right Italian partner could assist U.S. firms in not only cracking the Italian market, but also in effectively entering other foreign markets.

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	4,390	4,181	4,350
Total Local Production	3,982	3,792	3,945
Total Exports	485	461	480
Total Imports	893	850	885
Imports from the U.S.	393	374	390
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

Rank of Sector: 9

Name of Sector: TELECOMMUNICATION SERVICES

ITA Industry Code: TEL

The Italian telecommunication services market is estimated at 25 billion dollars and is Europe's fourth largest. The market grew by 11.4 percent in 2000, lower than in 1999, when the sector increased by 15 percent.

Mobile telephone services continued to grow, although less rapidly than in 1999. With over 42 million users, Italy is the world's fourth-largest end-user of mobile communications services, and accounts for 17 percent of the European market.

Fixed line traffic revenues declined by 4.5 percent as consumers turn from fixed network usage to mobile services. Data transmission revenues reflected the growth of the Internet and reported an increase of 26.4 percent. The largest increase of any telecommunication services sector was in value-added services, with 95.3 percent.

Future market indicators:

- the demand for data transmission services will continue to grow as internet usage expands further;
- quicker, better data and value-added services at substantially lower prices will be offered by an increasing number of competing operations;
- the cost of voice telephony will continue to decrease as new providers enter the market;
- the introduction of General Packet Radio Service (GPRS) telephone services during 2001, the intermediate technology between the current Global System for Mobile Communications (GSM) mobile phones and the Universal Mobile Telecommunications System (UMTS) system, which allows "always on" internet access is expected to stimulate further the data transmission and value-added services sectors;
- four UMTS cellular phone licenses were awarded during 2000, with services to be operational starting in 2002.

In consideration of the market conditions described above, there are good business opportunities for U.S. companies with technical skills and expertise in website design and in e-commerce consultancy. Business-to-business e-commerce opportunities include internet access services, specialized services such as intranet/extranet and financial services. As GPRS usage becomes widespread, and UMTS cellular telephony is introduced, there will be good prospects for internet services in the business-to-consumer market for publishing, internet music and videos, bookings for entertainment events, vacation and travel .

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	25,320	24,409	25,013
Sales by Local Firms	25,070	24,109	24,533
Exports by Local Firms	---	---	---
Sales by Foreign-owned Firms*	250	300	480
Sales by U.S.*-owned Firms	30	60	80
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

*Data not available from outside sources

The above statistics are unofficial estimates.

Rank of Sector: 10

Name of Sector: AIRPORT AND GROUND SUPPORT EQUIPMENT

ITA Code: APG

The Italian market for airport and ground support equipment has been recovering for the past two years, thanks to resumption of expenditures for capital equipment by both central and regional governments, in their effort to face the increasingly stronger European competition. Works initiated in occasion of the past Jubilee year are still partially under way in many of the major airports. Near term investments are still being

made by both the private and the public sector for airport expansion (i.e. traffic control systems at the Milan International Airport "Malpensa 2000"), for upgrading of existing infrastructures (i.e. Bari Palese airport, Rome Leonardo da Vinci airport), and purchase of ground support equipment and systems. These works have been considered necessary to meet world standards of safety, performance and system maintenance.

Italy has 88 airports. Of these, 14 have been selected for upgrading air transportation management and passenger/cargo terminal facilities. Besides the central government and regional financing, some \$350 million are expected to be spent in the current year by private enterprises. Most of the activity is concentrated in the 7 largest Italian airports whose passenger traffic exceeded 50 million (over a national figure of nearly 65 million), split as follows: Rome (Fiumicino and Ciampino): 25.000.000; Milan (Linate and Malpensa): 16.000.000; Naples: 3.500.000; Venice: 3.200.000; Turin: 2.000.000; Bari: 1.200.000; Genoa: 1.000.000.

The total market is expected to increase, in 2001, of about 4%. As U.S. technology and design is highly regarded by Italian airport and ground support equipment operators, U.S. manufacturers, which supply nearly 25% of the total market, should take advantage of this favorable situation and should be able to successfully compete against the increasingly strong efforts of companies from European countries such as Germany, France and U.K.

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	2,500	2,310	2,400
Total Local Production	1,860	1,720	1,790
Total Exports	775	720	750
Total Imports	1,415	1,310	1,360
Imports from the U.S.	650	610	630
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

Rank of Sector: 11

Name of Sector: INSURANCE SERVICES

ITA Industry Code: INS

Total direct insurance premiums (exclusive of re-insurance) collected in Italy increased by 9.3 percent in the year 2000 to \$62.4 billion. This result is largely attributable to life insurance, which surpassed for the third consecutive time total casualty insurance premiums and represented almost 59% of the entire Italian insurance business.

Although the annual increase in demand for insurance products was not as spectacular in 2000 as the 20 percent annual increases of recent years, it nonetheless reflects the greater attention paid by the population to welfare problems and continued uncertainties in the Italian state pension and health systems. The Italian insurance expects a further increase of at least 7% during the year 2001, with life insurance growing at about 15%.

Among the top ten companies operating in the sector are eight large Italian insurance companies led by "Assicurazioni Generali". Foreign-owned insurance companies, which

have been quite aggressive in the market, maintain an estimated market share of 30 percent. Countries whose firms have the strongest market presence are Germany, Switzerland and France (including Ras, Lloyd Adriatico, Axa Assicurazioni, Winterthur Assicurazioni, and Zurigo).

The handful of U.S. companies presently doing business in Italy (including AIG Europe, Cigna Life Insurance, Chubb Insurance, Prumerica Life and Allstate) are estimated to have increased their performance by 13%, but only still represent approximately 0.3 percent of the market. U.S. companies are expected to take advantage of greater opportunities in Italy due to the liberalization of the EU insurance services market, as well as to the newly-introduced Italian tax incentives for insurance covers involving individual supplemental allowance and long term care plans effective January 1, 2001.

The insurance industry will play a major role in Italy's financial markets, both as a source of capital and management for the newly created private pension funds and as a complementary system for the national pension and health systems. U.S. firms, which have operated in highly competitive environments, and have a long history and expertise in life insurance, pension funds, individual retirement accounts, and health insurance, should take advantage of increased Italian need for insurance products. Italy allows non-EC based insurance companies access to its market through local subsidiaries, branches or representative offices. Thus, in order to sell insurance products, a U.S. insurance company must set up in Italy at minimum a representative office authorized by ISVAP, the supervisory institute of private and public-interest insurance companies which monitors insurance activities. The license can normally be obtained in six months.

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	65,875	62,381	66,750
Sales by Local Firms	67,193	62,381	67,300
Exports by Local Firms	21,080	18,714	20,600
Sales by Foreign-owned Firms	19,762	18,714	20,050
Sales by U.S.-owned Firms	220	215	240
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

Rank of Sector: 12

Name of Sector: PET PRODUCTS

ITA Industry Code: PET

The Italian pet market has recorded the highest growth rate in Europe over the past several years. At the same time, the market remains far from saturated. Research shows the role that pets play in Italy has become more important in recent years leading to the strong and growing market for pet products.

The pet products market in Italy is estimated at USD 2.4 billion in 2001, an increase of approximately 10 percent over the previous year. Trade sources have forecast increases

of the same magnitude for the next few years. Dog food is one of the sectors that is expected to increase the most, since the consumption rate of commercial food is still very low compared to other countries. While the "Mediterranean diet" (pasta or rice) is still prevalent in dog and cat diets, the market for industrial or commercial pet food has increased greatly in recent years.

The pet care sector is experiencing remarkable growth. The trends towards "humanization" of pets has led owners to buy specific products for their animal companions. In the pet accessories sector, the trend towards diversification is greater. The growth in this sector is due to the development of high technology products, as well as those that focus on the beauty, elegance and "personality" of pets and satisfy pet owner whims.

Imports play a major role in this market -- especially in the pet food sector -- with over one third of the total market. Over 50 percent of pet food and 20 percent of pet accessories are imported. U.S. brands are among these imports, especially in the pet food sector, where they enjoy an excellent reputation.

Given these positive market conditions, the Italian pet products market has great growth potential and offers many opportunities for U.S. companies wishing to expand their sales internationally.

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	2,060	2,175	2,400
Total Local Production	1,380	1,500	1,700
Total Exports	120	150	200
Total Imports	800	825	900
Imports from the U.S.	145	170	195
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

Rank of Sector: 13

Sector Name: AUTOMOTIVE PARTS AND SERVICE EQUIPMENT

ITA Industry Code: APS

The market for automotive sales in Italy hit record levels in the year 2000 with 2,415,600 automobiles sold (up 3.3%), topping the 1997 sales record high, despite the expiration of automobile purchase incentives in July 1998. Sales of commercial vehicles also rose 15.5% during 2000, reaching sales of 226,000 units. The market for automotive parts and service equipment experienced an estimated 11% increase during 2000, with domestic production covering approximately 67% of the demand (up 12% compared to previous year), and imports covering the remaining 33% (up 13% compared to previous year). Sales of original equipment (OE) experienced an overall increase of 12.8% and accounted for 71% of total component demand. 19.3% of OE demand was covered by imports, and total imports in turn increased 34.2%.

Aftermarket (AM) sales increased 9.4% and represented 29% of overall components demand (well over half of which - that is, 57%- were covered by imports, which increased by 14%). AM imports' exceptional market share is attributable to the development of modern distribution channels and transnational operators, improved performance of foreign automotive organizations and greater competitiveness of imported products. Imported products are more competitive due to the fall in exchange rates of many Southeast Asian currencies.

Main country suppliers are Germany (35%) and France (23%). Imports from the U.S. increased by 18% but still represented only 3% of overall imports.

With approximately 35 million vehicles currently on the road, Italy reportedly has the highest auto density in the world, and one of the oldest circulating auto fleets in Europe. On January 1, 2002 sales of leaded fuel will be banned in Italy, which will boost the renewal of the automotive fleet (with positive effects on OE sales) because of the need to eliminate some of the 15 million vehicles not equipped with catalytic converters. The higher frequency of periodic compulsory motor vehicle inspections and stricter pollution control regulations are likely to spur sales in Italy of spare parts and service equipment.

Exports to Italy of U.S. auto parts, accessories, components and service equipment are expected to experience a 10% average annual increase for the next couple of years. In addition, U.S. industry is supplying the Italian market primarily from European subsidiaries and pursuing several joint ventures and "greenfield" investments. Best prospects include the wide range of passive and active security components/accessories, environmentally-friendly features, diagnostic apparatus and light weight/acoustic insulation/advanced materials.

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	20,792	19,887	21,300
Total Local	27,538	26,612	28,200
Production			
Total Exports	13,409	13,241	13,900
Total Imports	6,663	6,516	7,000
Imports from the U.S.	208	211	235
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

The above statistics are unofficial estimates.

Rank of Sector: 14

Name of Sector: ELECTRIC POWER SYSTEMS

ITA Code: ELP

Italy is heavily dependent (nearly 80% of energy requirements) on foreign sources of energy and this fact strongly influences its energy policy. The economic strain experienced in the past years slowed down the implementation of the National Energy Plan (PEN), including investments in energy equipment and systems. Nevertheless demand for electric power has continued to increase, resulting in substantial imports of electricity from neighboring countries such as France, Switzerland and Austria. Italy decided to ban nuclear power for energy production in 1994 and, as a consequence,

both the government and the industry are seeking alternatives to traditional energy production systems. In the last few years there has been a shift from oil/coal to oil/gas for energy production. Government policy is focusing on investments in energy production (including incentive to self producers), diversification of energy sources, promotion of energy conservation technologies and utilization of alternative renewable sources. Consequently, and as a result of the EU Directive on Electricity, ENEL, the National Electricity Company, which still produces and distributes almost 80% of total electricity, is being privatized, and the country will open its market to both domestic and foreign competition. ENEL is currently selling one fifth of its generation capacity (about 15,000 MW) and, by 2003 will have to limit its production capability to not more than 50% of the total output of the Italian market. Although market liberalization is expected to stimulate increased demand for electric power systems, independent power producers have been holding off major investments until the new regulations governing the market are further clarified.

Although still comparatively small (representing only 5-6% of the total market) there is growing interest in alternative sources of energy, especially for high-tech and sophisticated design in sectors like wind energy generation equipment, solar energy generation equipment (especially photovoltaic) and biomass. These renewable sources should reach 10% of the total energy production by 2003. There is good market potential also for advanced fuels systems, peak-load gas turbines and cogeneration systems.

European competition is strong and growing through a number of mergers and acquisitions aimed at achieving increasingly larger market shares. U.S. firms should concentrate their efforts on innovative products/systems while strengthening their leadership in licensing and technical cooperation, since the majority of Italian manufactured heavy electrical machinery is made under U.S. licenses.

Data Table

(USD Millions)	1999 (actual)	2000 (actual)	2001 (estimated)
Total Market Size	5,730	5,300	5,470
Total Local Production	5,960	5,510	5,680
Total Exports	1,910	1,760	1,810
Total Imports	1,680	1,550	1,600
Imports from the U.S.	320	300	310
Exchange rate \$1=	1818 lire	2100 lire	2100 lire

B. BEST PROSPECTS FOR AGRICULTURAL PRODUCTS

The Italian diet has become an international reference point as it combines both Continental and Mediterranean eating habits. Italians have access to a broad range of fresh foods due to their own wealth of agricultural production. At the same time, they remain fairly traditional in their food habits. While the per capita volume figures paint a picture of a fish and vegetable hungry Mediterranean nation, the per capita value figures also point to a group of health conscious modern consumers willing to pay a premium for quality food products. While the recent economic recession put a damper on luxury food

sales and expensive restaurant visits, Italy still spends more per capita on food than any other EU country except Portugal.

Both American style fast food chains and American style buffet/salad bars are establishing themselves more firmly in the Italian market. This move toward cheaper and more convenient dining has led Italian importers to seek out U.S. food products adapted to self-service eateries. Many bars, restaurants and food service companies also are seeking foods that microwave easily. While home use of microwaves is still low, microwave sales are increasing. Families with two working parents in the cities are relying more and more on microwaves to reheat food and prepare frozen foods.

Italy imports and produces a large quantity of "American style" foods such as breakfast cereals, organic foods and snack foods. The Italian youth market is especially interested in lifestyle foods such as American beer and salted corn chips. Finally, American type packaging is perceived as being more sophisticated and more consumer (and environment) friendly.

Trade journals predict that Italian companies will be seeking more foods that meet U.S. standards of quality control and FDA labeling. American style innovations in food marketing (i.e. cross brand marketing) is predicted to be a U.S. driven trend in Italy within several years. Finally, Italians are looking to the U.S. for a better understanding of organic and low fat foods.

U.S. origin products do very well in the Italian seafood market (i.e. fresh lobster and frozen squid, etc.) and U.S. exports of bulk and packaged dried fruits and nuts including popcorn are on the upswing and expected to rise in the next year.

In addition to high-value products, U.S. companies also should look for opportunities to supply Italian export industries with raw materials. Forest products remain the most important U.S. export to Italy. While the value has increased slightly, the volume of imports decreased as a direct result of the higher value of the U.S. dollar versus the Italian lira. The Italian forest product market is characterized by the import of raw materials for manufacturing finished products for export. The Italian economy also affects domestic purchases of these products, but a strong foreign demand is compensating for the weak demand in the domestic market.

Forestry Products (USD Millions)	1999 (actual, according to U.N. trade statistics)	2000 (estimated)	2001 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	1,313	1,321	1,330
Total Imports	3,525	3,532	3,536
Imports from the U.S.	232	241	245
Exchange rate: 1\$=	1.818 lire	2.000 lire	2.200 lire

The above statistics for 2000 and 2001 are unofficial estimates.

Pet Food

(USD Millions)	1999 (actual, according to U.N. trade statistics)	2000 (estimated)	2001 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	39	43	48
Total Imports	215	235	260
Imports from the U.S.	17	17	19
Exchange rate: 1\$=	1.818 lire	2.000 lire	2.200 lire

The above statistics for 2000 and 2001 are unofficial estimates.

Seafood (USD Millions)	1999 (actual, according to U.N. trade statistics)	2000 (estimated)	2001 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	353	359	362
Total Imports	2,665	2,705	2,730
Imports from the U.S.	47	48	50
Exchange rate: 1\$=	1.818 lire	2.000 lire	2.200 lire

The above statistics for 2000 and 2001 are unofficial estimates.

C. SIGNIFICANT INVESTMENT OPPORTUNITIES

The Italian Government will spend 90,000 billion lire (\$45 billion) in EU “objective one” structural funds and matching national funds in southern Italy as part of the 2000-2006 EU spending program. Additional EU funds will be spent in disadvantaged parts of Italy under “objective two” funding, for certain areas in Northern and Central Italy.

The Italian government’s overall strategy for southern Italy focuses on reducing barriers to domestic and foreign private sector investment: strengthening law and order, fostering the spirit of innovation, reducing the underground economy, and boosting tourism. Natural resources will receive 19.2% of total funding (7.5 billion Euros and service networks (security, transportation, telecommunication, and sanitation infrastructure) are slated for 19.4% (7.7 billion Euros). The tourism infrastructure sector is to receive some 800 million Euros. Environmental protection projects are slated to receive 7.7% for a total of 1.6 billion Euros from the natural funding for resources.

The Italian government, which has had to return unused EU funds in the past, is determined to ensure that it can program its full share of funds allocated by the EU. Some 50% of the EU funds for southern Italy will be spent in 2 regions – the Campania region, including Naples, and Sicily. Campania will receive over 25% of the funds for southern Italy or almost 7.2 billion Euro. That region, home to Capri, the Amalfi Coast and the Sorrento peninsula, boasts significant tourism sector opportunities and environmental projects. Another 25% will go to Sicily where, thanks to its special

autonomous status, U.S. firms participating in investment projects in Sicily can benefit from additional regional grants from the Sicilian regional government.

The Italian Government's determination to make full use of EU funds provides opportunities for U.S. firms to partner with European firms and regional governments on realizable projects. U.S. firms can also partner with Italian firms on investment projects in under-developed areas. In these cases, the venture can receive up to 50% of the funds required for land, buildings, equipment, and feasibility studies in grant form from the EU. Promising areas for American firms include franchising of lodging facilities, airport expansion projects, theme park, and golf course developments. Opportunities are also available for firms with advanced environmental technologies for waste disposal and soil and water clean up.

The Government of the United States acknowledges the contribution that outward foreign direct investment makes to the U.S. economy. U.S. foreign direct investment is increasingly viewed as a complement or even a necessary component of trade. For example, roughly 60 percent of U.S. exports are sold by American firms that have operations abroad. Recognizing the benefits that U.S. outward investment brings to the U.S. economy, the Government of the United States undertakes initiatives, such as Overseas Private Investment Corporation (OPIC) programs, investment treaty negotiations and business facilitation programs, that support U.S. investors.

For information on infrastructure projects in southern Italy, American firms should contact the Commercial Service at the U.S. Consulate in Naples (for contact information, see Chapter 11).

CHAPTER 6: TRADE REGULATIONS, CUSTOMS AND STANDARDS

TRADE BARRIERS

Broadcast Directive and Motion Picture Quotas

Italy passed legislation in 1998 to significantly tighten European content requirements (TV quotas). The new law replaces Italy's previous requirement that a majority of television broadcast time for feature films be reserved for EU-origin films, and that half of the European quota be dedicated to Italian films. The new quota goes beyond the EU "Broadcast without Frontiers" Directive by applying quotas specifically to prime time broadcasting, and by excluding talk shows from the types of programming that may be counted towards fulfilling the quota. (The Directive excludes only news, sports, game shows, advertising, teletext and teleshopping. The Italian law excludes these categories as well, but additionally excludes talk shows.)

A separate but related issue concerns films shown in Italian theaters. After eliminating obligatory screen quotas for Italian films in 1994, Italy reinstituted EU content quotas specifically for multiplex cinemas in Fall 1998, at the same time including building restrictions on new multiplexes in order to minimize competition with existing cinemas. The quotas require that multiplexes devote 15-20% of seats, in at least three theaters per multiplex, to EU content on a "stable" (daily) basis. The United States continues its efforts both to obtain elimination of discriminatory laws and regulations in the audiovisual sector and to limit their impact in the interim.

Civil Aviation

Italy and the United States agreed on an "Open Skies" civil aviation regime in 1999. This is expected to liberalize the Italy-U.S. air travel market dramatically and, indeed, within the first eight months after the agreement was signed, several U.S. air carriers began new passenger or cargo service linking Italy with Chicago, Detroit and other cities.

Government Procurement

In Italy, fragmented, often non-transparent government procurement practices and previous problems with corruption have created obstacles to U.S. firms' participation in Italian government procurement. However, Italy has made progress in making the laws and regulations governing government procurement more transparent, although Italy has not yet fully updated its government procurement code, nor has it completely implemented EU directives on government procurement. In addition, the pressure to reduce government expenditures while increasing efficiency is resulting in increased use of competitive procurement procedures and greater emphasis on best value rather than automatic reliance on traditional suppliers. This trend is benefiting U.S. firms; to successfully meet the bureaucratic requirements, however, most firms rely on experienced local representatives and/or agents.

CUSTOMS REGULATIONS / TARIFF RATES / IMPORT LICENSE REQUIREMENTS

Prior to signing a long-term contract or sending a shipment of considerable value, it may be prudent for a U.S. exporter to first obtain an official ruling on the customs classification, duty rate, and taxes. Such requests should be sent to the Ministry of Finance's Customs Department, Rome, Italy (see "Customs Contact Information" at the end of this Section). The request should describe the product, the material it is made from, and other details needed by customs authorities to classify the product correctly. While customs will not provide a binding decision, the advance ruling usually will be accepted if the imported goods are found to correspond exactly to the full description provided when requesting the ruling.

With exception of a small group of largely agricultural items, practically all goods originating in the United States and most other free-world countries can be imported without import licenses and free of quantitative restrictions. There are, however, monitoring measures applied to imports of certain sensitive products. The most important of these measures is the automatic import license for textiles. This license is granted to Italian importers when they provide the requisite forms.

Various apparel and textile products, and controlled items such as arms and munitions are the most frequently regulated items. Import licenses are generally rapidly granted for goods of U.S. origin and delays are usually from lack of proper documentation or information.

Licenses are not transferable. They may be used to cover several shipments within the total quantity authorized. In general, the goods involved are indicated on the license by

the Harmonized System classification number and the corresponding wording of the tariff position.

VALUE-ADDED TAXES

While customs duty rates are the same for all 15 EU countries, the value-added tax (VAT) and excise tax on products and services usually differ from country to country. These taxes are levied in the country of final destination. Following is the schedule of VAT rates presently applicable in Italy:

Zero rate: Applies to exports outside the EU and supplies of goods to entrepreneurs in other EU states, sales of ships and aircraft and related parts, and supplies (with certain limitations) and specified services relating to international operations;

4%: Applies to numerous basic agricultural products, basic foodstuffs (i.e. bread, milk and fruits), certain medical aids, books and newspapers;

10%: Applies to certain agricultural products, transportation services for individuals, most foodstuff, livestock and meat, most pharmaceutical products, energy for private use, telecommunication services rendered through public phones (tlc for private use are at 20% rate), services rendered by hotels and restaurants and the cost of domestic airline tickets;

20%: As the standard rate, applies to all goods and services not subject to other rates (including most of the goods previously subject to the 12% rate – i.e., shoes, textiles, records and tapes).

TEMPORARY GOODS ENTRY REQUIREMENTS

Temporary Imports

Material may temporarily be imported into Italy without payment of duties and tax if such material is to be used in the production or manufacture of a product that is to be exported. The importer gives security, usually in the form of a guarantee from a bank or insurance company, for the amount of the usual duties and taxes. Upon exportation of the finished product, the guarantee is released or the deposit returned.

Temporary entry of goods intended to be reexported in the same condition is permissible free of import duties and taxes upon approval of an application by Italian Customs.

Samples without commercial value are admitted free of duty and taxes. Product literature should be marked "product Literature - no commercial value". Samples with commercial value are also admitted duty and tax free, provided that the following conditions are complied with:

(a) The samples are accompanied by a representative of the U.S. firm with a statement, notarized by an Italian Consulate, identifying the commercial traveler and attesting to the intention that the samples are being imported into Italy for the purpose of being shown or demonstrated and they are to be reexported in due course.

- (b) A certificate of origin from a recognized chamber of commerce is submitted to identify the source of the goods.
- (c) A deposit or bond, in the amount of the applicable customs duties and taxes, is made at the point of entry. This will be refunded when the goods are reexported.
- (d) A list (in duplicate) with a full description of each sample, including weight and value, is submitted. It is helpful to have such a list in Italian.

U.S. traders should be aware of another and more simplified procedure in the form of a carnet for the temporary importation of samples without posting guarantees. See the "Carnets" section located in Chapter IX: Business Travel (under Temporary Entry of Goods).

In practice, samples valued in excess of lira 5 million (or about 2,500 USD) are practically impossible to clear through Italian customs informally, i.e. by the traveler. In such cases, it is advisable to engage the services of a local freight forwarder.

Goods in Transit

Goods may clear customs with an EU transit procedure that provides for the issuance of a single transit document under which the goods may be easily shipped across frontiers of the EU member states. These transit documents are completed for the importer by a freight forwarder in Italy. The EU transit document provides the basis for a single, comprehensive procedure covering the goods within the EU. Since single transit document is an EU form, the European importer, customs house broker, freight forwarder, or shipper must prepare the document at the point of entry.

Inward and Outward Processing

Inward processing is the temporary importation of raw material or products for additional manufacture or processing. Merchandise imported for additional processing and eventual reexport out of the EU is eligible for custom-free treatment.

The reexported goods may be partly or totally processed. The import duty and taxes are levied only on those goods that are not reexported and are finally sold in the EU.

To qualify for inward processing, an Italian (or EU) firm must satisfy customs that it is necessary to use imported goods instead of EU goods; state an intention to export products manufactured from the imported goods (or equivalent goods available in the EU); and assure that, upon reexportation, the conditions set forth in the authorization are satisfied, the exported products are accounted for, and the entered goods are identifiable and relate to specific importations.

In outward processing, a firm in Italy may export goods for further manufacture or processing from the EU customs area and then reimport the final product. Duties and taxes are levied only on the increased value added by the expatriate manufacturing or processing when the goods are returned to Italy and not to the total value of the product. Only firms located in Italy or another EU country are eligible to take advantage of this option, and they should first gain approval of the Customs authorities.

SPECIAL IMPORT/EXPORT REQUIREMENTS AND CERTIFICATIONS

Documents required for exporting include the usual shipper's commercial invoice and the bill of lading or air waybill, none of which require consular legalization. For textiles and apparel, it is good practice to provide a certificate of origin, available through most state chambers of commerce. For other products, however, if substantive proof of U.S. origin is provided through other accompanying documents as well as through characteristic trademarks, a certificate of origin is not normally necessary. For additional information or assistance on export documentation, readers should consult publications such as the Exporter's Encyclopedia, published by Dun's Marketing Services or contact a local U.S. Department of Commerce International Trade Administration Export Assistance Center.

LABELING REQUIREMENTS

There is no general requirement that imports be marked as to country of origin. Under Italian legislation, the origin of imported merchandise is established through documentation accompanying the shipments arriving in Italy and not through marking of products or their containers. Certain specified commodities, however, must be marked or labeled to show composition, and name and location of manufacturer, in accordance with various laws and regulations. The following articles are subject to special marking or labeling regulations: lime, cement and similar binding agents; pianos, automatic pianos, harmonicas and similar instruments; clinical thermometers; ethical medicines; cosmetics. Hallmarking of gold and silver articles is required before they can be offered for sale. Only small tolerances are allowable for manufacturing errors. The hallmarking may be done by a hallmarking office after importation.

Italy uses the metric system of weights and measures, which is called the International System of Units (SI). The European Community has established standardized packaging units for numerous products which should be consulted by U.S. exporters. Labeling must be in metric units for all imported products to be sold in Italy. Products are allowed to be imported and then labeled in SI metric units prior to sale. Dual labeling information is permitted, but the non-metric information must not predominate.

Imports of certain commodities such as packaged foods, distilled spirits, beer, wine, vinegar and foodstuffs are subject to special regulations regarding the manner in which they must be labeled to show manufacturer, composition, content (in metric units), and country of origin. In view of the complexity of these regulations and changing requirements, information should be requested from the importer prior to shipment. When the services of an importer are not available, information can be obtained directly from the appropriate Italian Government authority listed at the end of this publication. For agricultural and food products, see "Trade Regulations and Standards for Agriculture" below.

PROHIBITED IMPORTS

There are a number of Italian regulations and European Community directives that prohibit certain foodstuffs, food colorings, drugs and narcotics, animal products, plants,

seed grains, alcohol, cosmetics and toiletries, etc. It is therefore recommended American exporters contact the Italian importer prior to the shipment or use their freight forwarder to make the determination.

EXPORT CONTROLS

For the purpose of national security, foreign policy, or the short supply of materials, the United States controls the export of goods and technology by two broad categories of export licenses -- general and validated.

The vast majority of U.S. exports are shipped abroad under general licenses that do not require formal application or approval. To determine which kind of export license is required, exporters should consult the U.S. Export Administration Regulations for complete details or obtain assistance from the local U.S. Department of Commerce district office.

As an overview, the first step in the export licensing process is to determine whether a product requires a general or validated license. Determine what is being exported, the destination of the product, its end-use, and the organization that will be using the product. Check the schedule of Country Groups listed in the U.S. Export Administration Regulations to determine the destination category; check the Commodity Control List to determine if the product requires a validated license for shipment to that particular country; and determine if any special restrictions are in effect.

If the product is not on the control list, then it can be exported under a general license. The U.S. exporter simply completes the "U.S. Shippers Export Declaration", Form 7525-V, providing details of the shipment; includes a commercial invoice; and exports the goods. If the product is on the control list, a validated license is needed. An application must be made and an export license granted. As a general rule, an exporter will need a validated license (1) if the products are controlled or in short supply regardless of the country of destination; (2) for any commodity to a destination with foreign policy concerns; or (3) for unpublished technical data to certain destinations. Certain special licenses are also issued to cover large projects or repeated sales through a foreign distributor.

For assistance in determining what type of license is needed and to initiate the processing of an application, contact your local Department of Commerce district office or the Bureau of Export Administration, Office of Export Assistance, Room H-1099D, U.S. Department of Commerce, Washington, DC 20230, (202) 482-4811.

STANDARDS

As a member of the EU, Italy applies the product standards and certification approval process developed by the European Community. Italy is required by the Treaty of Rome to incorporate approved EU directives into its national laws. However, there is frequently a long lag in implementing these directives at the national level. In addition, in some sectors such as pollution control, the uniformity in application of standards may vary according to region, further complicating the certification process. Italy has been slow in accepting test data from foreign sources, but is expected to adopt EU standards in this

area. U.S.-EU negotiation of mutual recognition agreements should, over time, reduce problems in this area. In the Spring of 1997 the U.S. and EU concluded mutual recognition agreements in the following areas: network and electromagnetic compatibility (EMC) for telecommunications and information technology equipment and radio transmitters; EMC and electrical safety for electrical and electronic products; good manufacturing practices inspections for pharmaceutical products and certain medical devices; product assessment for medical devices; and safety of recreational craft.

As part of the unification program to establish common standards for all member countries, key product areas are being regulated by the EU. Mandatory requirements to protect the health and safety of consumers, as well as the environment are constantly being developed and implemented. To indicate conformance to the mandatory EU requirements, a CE mark must be placed on all regulated products by the manufacturer or a representative before they can be sold on the EU market. The applicable product testing and certification requirements for individual product categories are specified in the various EU directives. The CE mark relates only to the mandatory health, safety, and environmental requirements established by the EU; it does not indicate conformity to European product standards. Thus, national marks of conformity with product standards remain compatible with the CE mark and both may be applied to the product. It should be noted, however, that the CE mark does replace all national safety marks for the regulated products.

U.S. firms exporting to Italy are confronted with both national and EU standards for many products. Further, these regulations occasionally change to meet new technology and more stringent demands. Exporters can stay fully informed of the latest EU technical standards activities by contacting the Standards Information Service of the National Institute of Standards and Technology (NIST) at (301) 975-4040. A part of the U.S. Department of Commerce, NIST offers industry an in-depth reference system on EU standards information gathered from the two European standards bodies tasked to write the EU norms --the European Committee for Standards (CEN) and the European Committee for Electrotechnical Standardization (CENELEC). NIST also can provide updated information from the EU which will elaborate on directives and provide assistance in identifying EU and member state standards and regulations. For more information, contact NIST at (301) 975-4038.

Other valuable sources of information with regard to Italian standards include: the American National Standards Institute, 1430 Broadway, New York, NY 10018, (212) 354-3300; the Department of Commerce's National Technical Information Service, Springfield, VA 22161, (703) 557-4733; UNI, Ente Nazionale Italiano di Unificazione, Via Battistotti Sassi, 20133 Milan (Italian National Bureau of Standards); or through the various trade associations that follow international activities for their membership.

FREE TRADE ZONES / WAREHOUSES

There are two free trade zones in Italy located in Trieste and Venice. Goods of foreign origin may be brought in without payment of taxes or duties, as long as the material is to be used in the production or assembly of a product that will be exported.

Benefits of a free-trade zone include:

- customs duties deferred for 180 days from the time that the goods leave the free-trade zone to enter another EU country;
- the goods may undergo any transformation free of any customs restraints;
- absolute exemption from any duties on products coming from a third country.

The free-trade zone law also allows a company, of any nationality, to employ workers of the same nationality, under that country's labor laws and social security.

Italy also has numerous general warehouses that are located throughout Italy in all the port areas and cities. There are no limitations as to the type or origin of merchandise that can be stored in free trade zones or bonded or customs warehouses. The time limit for such storage is 5 years. Merchandise deteriorated while in storage can be destroyed without payment of duty.

The advantage of a free trade zone or bonded warehouse to American firms is having a European base of supply to assure customers prompt delivery and service. Being able to maintain inventory at low cost with a minimum of customs paperwork is also a distinct advantage.

MEMBERSHIP IN FREE TRADE ARRANGEMENTS

Italy has been a member of the European Union (EU) since its inception in 1958. The other EU members are Belgium, Denmark, France, Germany, Greece, Ireland, Luxembourg, the Netherlands, Portugal, Spain, the United Kingdom, Austria, Finland and Sweden. Other countries have applied for membership. The EU forms a customs union and a large unified market having free trade among the member states. It levies a common tariff on imported products coming from non-EU countries such as the United States, Japan, and Canada. The EU also has a common agricultural policy, joint transportation policy, and free movement of goods and capital within the member states. Other aspects of commercial activity are being harmonized.

The EU grants tariff preferences to more than 100 developing countries and about 40 overseas territories under the EU's Generalized System of Preferences (GSP). Imports of nearly all semi-manufactured and manufactured goods originating in these countries and territories enter the EU duty free. Annual duty-free quotas are established for those products and a system of providing certificates of origin has been established to ensure that goods are not diverted through the GSP countries to take advantage of the lower tariff concessions.

Free trade agreements have been developed between the European Union and the European Economic Area (EEA), which includes Norway, Iceland, Liechtenstein, and Switzerland. Under the terms of these agreements, most industrial products and certain processed agricultural products are exempt from import duties if traded within this trading bloc. The result of the agreements reached between the EU members and the EEA members is an open trading area for most industrial products of 19 nations with an affluent population of 380 million.

CUSTOMS CONTACT INFORMATION

Ministero delle Finanze
(Ministry of Treasury)
Agenzia delle Dogane
(Customs Agency)
Via M. Carucci 71
00143 Roma
Tel. +39-06-59241

WARRANTY AND NON-WARRANTY REPAIRS

Import duties and taxes are not imposed on products exported from Italy, if the item which is shipped back is the same to return to Italy.

Shipments of replacement parts to Italy, however, are subject to duties plus VAT, even if shipped for a product under warranty.

TRADE REGULATIONS AND STANDARDS FOR AGRICULTURE

Since Italy is a member of the European Union (EU), virtually all of its agricultural sector is governed by the Common Agricultural Policy (CAP). Similarly, Italy employs the same tariffs, levies and other EU regulations as the other fourteen member states. For example, Italy imposes variable levies (on grain products) and quotas (on meat, cheese, bananas) as required by the European Union. Italy also applies a value added tax on most food/agricultural items (ranging from 4 percent for semi processed commodities to 19 percent for “luxury” high value food items).

In general, if a U.S. food product is imported into one EU member state it can be transhipped to Italy, provided it has a label written in Italian, and provided the product does not present a public or animal/plant health risk. However, if the product is directly imported into Italy it must meet all Italian food safety and quality standards, as well as Italian labeling and packaging regulations. Many of these standards and regulations have been harmonized within the European Union. For example, the EU has adopted a number of regulations covering production standards, analytical characteristics, product specifications, allowable additives, and labeling. Specific EU regulations exist for cocoa and chocolate products, sugars, fruit juices, fruit jams and jellies, milk and casein products.

However, where EU standards do not exist, Italy can set its own national requirements and some of these have been known to hamper imports of game meat, processed meat products, frozen foods, alcoholic beverages, and snack foods/confectionary products. U.S. exporters of “health” foods, weight loss/diet foods, baby foods and vitamins should work closely with an Italian importer, since Italy's labeling laws regarding health claims can be particularly stringent.

Italian legislation sets forth orders, obligations and criminal sanctions for violations. Food law is divided into two basic categories: rules dealing with hygiene/sanitary issues and rules governing labeling and packaging. All laws apply equally to domestically produced and imported goods.

Italy is still working on specific sectors of the food law to bring the regulations up to date scientifically in the areas of hygiene/sanitation. In the case of food additives, coloring and modified starches, Italy's laws are considered to be close to current U.S. laws, albeit sometimes more restrictive.

Basic labeling requirements in the EU/Italy:

Name of products (physical condition or specific treatment)
Name/address of manufacturer, packer, seller or importer in
EU Local language
Country of origin
Ingredients in descending order of weight
Metric weight and volume
Additives by category name
Special storage conditions
Minimum shelf life date
Special preparation instructions

U.S. exporters should be aware that any food or agricultural product transhipped through Italian territory must meet Italian requirements, even if the product is transported in a sealed and bonded container and is not expected to enter Italian commerce.

CHAPTER 7: INVESTMENT CLIMATE STATEMENT

OPENNESS TO FOREIGN INVESTMENT

For the most part, foreign investors do not find major impediments to investing in Italy, although bureaucratic requirements can be burdensome. One hundred percent foreign ownership of Italian firms is allowed. Some restrictions to foreign investment exist. The government has the authority to block mergers involving foreign firms for "reasons essential to the national economy" or if the home government of the foreign firm applies discriminatory measures against Italian firms. There are industry sectors which are either closely regulated or prohibited outright to foreign investors, such as aircraft manufacturing. Outside these sectors, there are no screening or blocking procedures directed solely at foreign investment. Italian anti-trust law (which applies to domestic and foreign investors) gives the government the right to review mergers and acquisitions over certain financial thresholds.

Italy provides national treatment to foreign investors except in a few instances. The exceptions include limits to access to government subsidies for the film industry, some additional capital requirements for banks from countries not in the European Union (EU), and restrictions on non-EU airlines operating domestic routes. Italy also maintains restrictions in shipping on domestic routes. Also, companies may bring in non-EU workers only after employment office have certified that no unemployed Italian is available to carry out the expected duties.

Foreign investment flows into Italy are weak. According to the Economist Intelligence Unit (EIU) has been ranked 13th between the 15 European Union (EU) countries

(preceding only Portugal and Greece, but below Spain) and 22nd in the world in the period 1996-2000 and is expected to keep the same position also in the period 2001-05. Italy improved its position slightly from last year, but still ranks well below the United Kingdom, which has a similar-sized economy, in attracting foreign investment. Analysts and surveys routinely cite excessive bureaucracy, inadequate infrastructure and a rigid labor market as disincentives for foreign investment in Italy.

Firms incorporated in European union (EU) countries may offer investment services in Italy without establishing a presence. U.S. and other firms that are not from countries that belong to the EU may operate based on authorization from CONSOB, the securities oversight body. CONSOB may deny such authorization to firms from countries that discriminate against Italian firms.

In the banking sector, privatizations and a wave of mergers and other alliances are reducing the formerly dominant role of the state. Authorization by the Bank of Italy, the country's central bank, is required to acquire more than five percent of a financial institution's capital (or to gain effective control of a financial institution, regardless of the amount of capital acquired). Non-bank companies (either Italian or foreign) may not acquire more than 15 percent of a bank's capital. Government authorization is required to offer life and property insurance and is usually based on reciprocal treatment for Italian insurers. Foreign insurance firms must prove that they have been active in life and property insurance for not less than ten years and must appoint a general agent domiciled in Italy.

There are some limits regarding foreign private ownership in banks. For instance, according to the banking law, a foreign institution wishing to increase its stake in a bank above five percent needs the authorization of the Bank of Italy, which has not been reluctant to use its authority to influence mergers.

The expansion of modern, large-scale distribution units, such as chain stores, department stores, and large supermarkets, is restricted by local practice and national legislation, which subjects applications for retail units above a certain merchandising floorspace to a lengthy and cumbersome authorization process.

Foreign investors are not prevented from investing in firms to be privatized, except in the defense sector. Privatization sales techniques have included private placement, worker shareholdings and management buy-outs and public stock offerings. Often the government establishes a "hard-core" group of shareholders (who agree to keep their shares for a minimum period, i.e. three years), or retain a "golden share" (modest government stake, effective with control).

The Italian tax system does not discriminate between foreign and domestic investors. The Berlusconi government plans to re-introduce the Tremonti law, originally passed during the first Berlusconi government in 1994, but replaced by the center-left government. This law will support economic development through increased tax exemptions for companies that reinvest profits and create new jobs. The government also plans an ambitious 10-year effort to improve and expand transportation infrastructure (both land and sea) and to renew Italy's dilapidated infrastructure using domestic and foreign private capital, in addition to some European Union and central government funds.

RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

Laws governing physical property are adequate and enforced.

There is no limitation in either the Italian constitution or Italian civil law on the right to private ownership and establishment. In general, there is competitive equality between the private and public sectors. For years, Italian government bonds absorbed a large share of available domestic investment, but this share has declined as interest rates on those bonds dropped in the runup to European economic and monetary union. As an alternative, Italian investors have turned to stocks and corporate bonds, significantly increasing the Milan stock exchange's capitalization as a result.

PROTECTION OF PROPERTY RIGHTS

Italy enacted a new Copyright Law in 2000 that, among other improvements, raised criminal penalties for commercial violations of copyright. As a result, Italy was removed from the Special 301 "Priority Watch List" in September 2000. Italy remains on the intellectual property rights "watch list" under the Special 301 provision of the United States Trade Act of 1988, primarily reflecting inadequate implementation and enforcement of the new law.

In recent years, the Italian Government has substantially increased enforcement actions against both video and software pirates, creating an Interministerial Anti-Piracy Committee, specialized training courses for Italy's three law enforcement agencies, and "pools" of prosecutors specialized in combating intellectual property crimes in Milan, Rome, Naples and other major cities. The Government's efforts have led to decreases from previous levels in both piracy rates and piracy losses for some U.S. copyright industries; however, further effort will be needed to reduce the level of piracy, which remains unacceptably high, and to stem piracy losses which are growing for some copyright industries.

Italy is a member of the Paris Union International Convention for the Protection of Industrial Property (patents and trademarks) to which the United States and about 85 other countries adhere. U.S. citizens generally receive national treatment in acquiring and maintaining patent and trademark protection in Italy. In addition, after filing a patent application in the United States, a U.S. citizen is entitled to a 12-month period within which to file a corresponding application in Italy and receive the benefit in Italy of his or her first U.S. filing date (rights of priority). The priority right filing period for trademarks is 6 months.

Italy is also a member of the Berne Copyright Union and adheres to the Universal Copyright Convention to which the United States and 50 other countries are signatories. U.S. authors can thereby obtain copyright protection in Italy for their work first copyrighted in the United States merely by placing on the work, their name, date of first publication, and the symbol ©. In turn, Italian authors have the same rights in the United States for works first copyrighted in Italy.

Patent and trademark applications and inquiries should be addressed to:

Ministero dell'Industria, del Commercio, e dell'Artigianato
Ufficio Italiano Brevetti e Marchi
Via Molise, 19
00187 Rome, Italy

Applications and inquiries concerning copyrights should be addressed to:

Presidenza del Consiglio dei Ministri
Dipartimento per l'Informazione e per l'Editoria
Via Boncompagni, 15
00187 Rome, Italy

Laws Governing Intellectual Property Rights

Patents and Licensing: The principal laws governing patent protection are Royal Decrees No. 3731 of October 30, 1859, No. 1127 of June 29, 1939, Law No. 633 of April 22, 1941, and Presidential Decree No. 338 of June 19, 1979. Decree 338 amends the former Italian legislation and implements the European Patent Convention. To be patentable, an invention must be novel, that is, it cannot have been available to the public anywhere else before the date of the filing or of the priority claimed.

Patents are granted for 15 years from the effective filing date of application. They are assignable and transferable. A patent can be subject to compulsory licensing if not worked within 3 years from date of grant or four years from the filing date of application, whichever is later. In accordance with Italy's Uruguay Round implementing statute (Law 747 of December 29, 1994) and the implementing decree enacted on March 19, 1996, the Italian law was amended so that the introduction or sale in Italy of items manufactured in foreign countries belonging to the World Trade Organization constitutes working of the invention.

Licensing and technical assistance agreements with foreign firms are encouraged by the government. The foreign exchange necessary to effect payment abroad (including the United States) of bona fide royalties and/or technical assistance fees can be obtained simply upon application to the Italian Exchange Office through a bank. Applicants are required to produce the original contract with the foreign concern and to submit a certified copy of such a contract. A certificate confirming the validity of the patent should also be submitted in the event that the contract provides for the use of patents.

Annual taxes must be paid during the period an Italian patent is in force. These taxes are progressive and range from lire 1,000 for the first year to lire 35,000 for the 15th year.

Trademarks: The principal trademark registration laws are Royal Decree No. 929 of June 21, 1942, and Presidential Decree No. 795 of May 8, 1948. Some types of terms are not registrable as trademarks, such as those deemed to be generic, those containing false indications of quality or origin of goods, and those with similar terms already registered by others in Italy or for which applications are pending. For some goods, geographic names may not be used in trademarks nor can the portraits of persons be registered without their consent.

Trademark applications are examined for acceptability of their format and consistency with the laws. If an application is in order, the mark will be registered. There is no

opportunity for opposition and the first applicant is entitled to registration. However, any other person who claims to be the first user of the mark in Italy can have the prior registration cancelled, provided the claim can be proven. No claim of prior use can be made after the registered mark is 5 years old.

Trademarks are registered for 20 years from the effective application filing date and are renewable for similar periods. Failure to use a mark within three years after its registration can result in cancellation. Trademarks may be assigned to other users provided such action does not involve deceptive trade practices.

For administrative purposes, trademark products are classified under 42 groups (1-34 for products and 35-42 for services). Applications must indicate the appropriate classification.

Copyrights: Both Italy and the United States are signatories of the Universal Copyright Convention, which provides for mutual copyright protection. In Italy, copyrights are protected by Law No. 633 of April 22, 1941 and Decree Law No. 82 of August 23, 1946. Executive recognition in the form of copyright protection to the author is accorded intellectual creations pertaining to science, literature, music, decorative arts, architecture, the theater, and motion pictures.

The following additional legislation relating to the protection of copyright was subsequently issued: Illegal duplication of phonographic material (No. 406 7/29/81); Illegal duplication and transmission of film works (No. 400 7/20/85); Illegal duplication of software (No. 518 12/20/92 - enacting EU Directive 91/250) -- penalties for software piracy were subsequently increased by legislative decree in April 1996; Rental and neighboring rights related to intellectual property (No. 685 11/16/94 - enacting EU rental rights directive and outlawing unauthorized "bootleg" recordings of live performances).

Further detailed information on procedures regarding patent, trademark, and copyright protection in Italy should be obtained from competent legal counsel.

EU Initiatives on IPR

Italy is also a signatory to the European Patent Convention, which provides for a centralized European-wide patent protection system (Italy has not yet ratified the convention). The European Patents Act of 1977 provides increased legal protection, a patents court, and guidelines for compensation of an inventor. Under the European Convention, an applicant for a patent is to be granted a preexamined 15-year, non-renewable European patent that has the effect of a national patent in all 16 countries that are signatories of the convention, based on a single application to the European Patent Office. This procedure should expedite the granting of patents. However, infringement proceedings remain within the jurisdiction of the national courts, which could result in some divergent interpretations. Further information may be obtained from the European Patent Office, Motorama-Haus, Rosenheimer Strasse 30, Munich, Germany.

The EU commission is attempting to harmonize copyright protection in several areas and views continued progress as a key part of its programs for the internal market. The software directive, approved by the European Council in 1991, entered into force on January 1, 1993. Seven member states including Italy have transposed the directive

into national legislation. The directive on rental and lending rights, approved by the Council in 1992, was implemented in Italy in late 1994 (see above).

In September 1993, the Council adopted a directive on the harmonization of copyright laws in satellite broadcasting and cable retransmission (EU Directive 93/83). This measure allows satellite broadcasters to clear in their country of origin full copyright responsibility for their entire footprint throughout Europe. In an attempt to overcome the significant divergences among the member states in this area of IPR protection, in October 1993, the Council adopted the directive on the harmonization of the duration of copyright and of certain related rights (EU Directive 93/98). It provides for the term of copyright to be harmonized for a period of 70 years after the author's death. For related rights, it harmonizes the term of protection at 50 years from the date of production. Italian Decree Law 544 of June 1995 and Law 52 of February 1996 implemented these two directives.

FOREIGN TRADE ZONES / FREE PORTS

There are two free trade zones in Italy, located in Trieste and Venice, both in the northeast. Goods of foreign origin may be brought in without payment of taxes or duties, as long as the material is to be used in the production or assembly of a product that will be exported. The free-trade zone law also allows a company, of any nationality, to employ workers of the same nationality under that country's labor laws and social security systems.

Benefits of a free-trade zone include:

- customs duties deferred for 180 days from the time that the goods leave the free trade zone to enter another EU country;
- the goods may undergo transformation free of any customs restraints;
- absolute exemption from any duties on products coming from a third country.

MAJOR TAXATION ISSUES AFFECTING U.S. BUSINESS

The Italy-U.S. tax treaty contains provisions to avoid the double taxation of income for firms with operations in both countries. Royalties from patents and like properties are exempt from tax withholding under the treaty. They are freely remittable, subject to documentation requirements. In late 1999, Italian and U.S. tax authorities initialed a new tax treaty entitled to replace the old treaty. The new treaty covers royalties and a new Italian tax, called IRAP or regional tax of productive activities. Since the U.S. Congress and Italian Parliament have not yet ratified it, its provisions are not in force.

PERFORMANCE REQUIREMENTS/INCENTIVES

Investors do not face performance requirements specifically directed at foreigners. However, in the telecommunications sector, many new entrants are subject to performance requirements and must post a performance bond to receive a license to operate. The EU has challenged some of Italy's performance criteria for telecoms licenses. The Italian government offers incentives designed to encourage private sector investment, by both Italian and foreign firms, in depressed areas, particularly in the

underdeveloped "Mezzogiorno" in the south of Italy. The 1999 national government budget included significant incentives for hiring new workers in some areas of the South. The Berlusconi Government presented to Parliament a bill providing tax breaks nationwide for companies that reinvested earnings and create new jobs, known as the Tremonti Law. The bill is likely to be approved and implemented before the parliament summer recess in August. Foreign investors are able to participate in government research and development programs based on reciprocal treatment for Italian firms.

TRANSPARENCY OF THE REGULATORY SYSTEM

Italy is subject to single market directives mandated by the European Union, which are intended to harmonize many regulatory structures across EU countries. This includes the mutual recognition agreements negotiated between the EU and the U.S. The EU directives are intended to benefit EU member countries by creating a non-discriminatory, less restrictive trade regime. The directives are expected to yield significant benefits to non-EU trading partners (such as the U.S.) as well. Harmonization of standards relating to labeling, content, production, safety, etc., should reduce development costs and contribute to economies of scale for companies which wish to operate in Italy.

Several EU directives deal with the issue of transparency in public sector contracts and subcontracts. The process of incorporating these directives into Italian law has focused new public attention on public works corruption scandals that rocked the Italian political world in the early 1990s.

CORRUPTION

According to a 2001 study by Transparency International, the level of corruption in Italy is the highest among the G7 countries, but the situation has improved considerably from 2000. The study mentions the ratification of the OECD antibribery convention and other transparency measures approved at local levels. The wide-ranging "Bribesville" domestic corruption scandals of the early 1990's led to a wholesale reform of the Italian political structure, and sharp cutbacks in public works programs, which had been the source for kickbacks. Previous studies by various organizations, such as the IMF, cited the weight of bureaucracy, confusing regulations, the financing of political parties and the level of civil servants' wages as factors fostering corruption.

Italy, like the U.S., is a signatory to the 1997 OECD Convention on Combating Bribery that was ratified in September 2000 (law 300/2000). The law stated that GOI had eight months from ratification to approve an implementing decree. Parliament delegated drafting authority for the decree to the Justice Ministry and approval authority to the Council of Ministers. The Council approved the implementing decree on April 11, 2001. After the Parliament expressed its non-binding opinion on the decree on April 24, the Council of Ministers approved the decree on May 2. The decree has not yet been published in the official gazette. The implementation of the OECD Anti- Bribery Convention will introduce into Italian legislation a new concept: indictment of a corporate body.

There is no record of enforcement for cases involving bribery of foreign government officials. According to the Ministry of Finance (Italy's tax authority), paying bribes to

foreign officials is currently not a criminal act under current Italian law. This should change when the Convention is ratified and implemented. Consistent with an earlier OECD recommendation for members, tax deductibility of bribes paid to foreign officials is not allowed. The definition of bribery will become more specific after issuance of the implementation decree. Corruption is punishable under Italian law. Much discretion for punishment is left to the presiding judge in the case. Most corruption in the recent past has involved government procurement or bribes to tax authorities. Surveys of the business community in Italy routinely identify such domestic corruption as a disincentive to investing or doing business in the south and some other less-developed areas of Italy.

The principal government authority for combating domestic financial corruption is the "Guardia di Finanza" (Finance Police), a law enforcement entity responsible for customs and financial crimes. The "Polizia dello Stato" (Police of the State, or National Police) and the "Carabinieri", a branch of the Defense Ministry that has responsibility for certain civilian law enforcement functions throughout the country, also play important roles.

A very active office of Transparency International (TI) operates in Italy and followed closely the ratification and the implementation of the OECD Antibribery convention.

LABOR

Government data from April 2001, the latest available, show the quarterly national unemployment rate at 9.6 percent, down from 10.1 percent in January 2001 and the lowest level since 1992. Traditional regional differences remain unchanged, with the southern third of the country showing a 19.4 percent unemployment rate, compared to 4.1 percent in the northern third and 7.2 percent in central Italy. The North's shortage of labor has led to higher national levels of employment of unskilled and semi-skilled immigrant workers. Employment increased by 443,000 people from 20,930,000 in April 2000 to 21,373,000 in April 2001. More than a fourth of that employment is in temporary (9.5 percent of total) or part time jobs (9.6 percent of total), primarily in the services sector.

There is a skilled labor pool in the North, where industries and services are more developed. In some areas of the North, labor shortages exist in engineering, nursing, information technologies, marketing, and for skilled manual workers. The South, where agriculture and the underground economy are more widespread, has an abundance of unskilled labor and well-educated young people who tend not to leave their regions to find a job. Immigrant workers are employed for seasonal harvesting, as well as construction, nursing, and lower-paying, unskilled jobs that no longer attract sufficient numbers of Italian workers.

With the Italian economy losing steam, some academics have suggested the need for tax incentives to promote greater labor mobility and prevent labor shortages. The Berlusconi government elected May 2001 plans to introduce tax exemptions for companies that create new jobs. Despite low unemployment in the north, movement of workers from high unemployment areas is limited. The higher cost of living in northern cities (relative to the south), along with financial support from families and the availability of informal sector jobs, account at least in part for this anomaly.

The Italian labor market is becoming more flexible. Legislative and regulatory changes in 1997, 1998, and 1999 encouraged the hiring of part time employees by reducing employer social security contributions for these workers. Legislation decentralizing the public employment service was enacted, and private employment agencies were allowed to operate. These changes opened the way for the hiring of temporary workers whose scope of activity is substantial, although not as great as in other countries having experience with this type of employment.

A "Social Pact" signed by government, labor and management representatives in December 1998, recognized Italy's need for greater flexibility in its labor market as a spur to economic development in the South and reduction in the region's unemployment. However, plans for more government investment in underdeveloped areas might be restricted by Italy's need to stay within European monetary union spending guidelines.

Wages and salaries represent slightly more than half the cost of labor to management. Indirect pay (annual leave, holidays, bonuses, seniority allowances, severance pay) and social security contributions can account for up to 45 percent of gross salary. Italian law provides workers with substantial legal protection against dismissal, imposing complex and costly consequences for employers.

Labor relations in Italy are relatively good, although strikes are common in some industries, especially transport.

The Constitution enshrines a number of labor and trade union rights, and these core and other rights are the subject of a considerable body of supplementary legislation. The most significant of these is the Workers' Statute (law 300 of May 1970), which deals in part with the right of association, granting most workers the right to establish unions in workplaces with more than 15 employees (5 in agriculture).

Most Italian unions are grouped in four major national confederations: The General Italian Confederation of Labor - CGIL; the Italian Confederation of Workers' Unions - CISL; the Italian Union of Labor - UIL; and the General Union of Labor - UGL. The first three organizations are affiliated with the International Confederation of Free Trade Unions (ICFTU), while the UGL is an affiliate of the World Confederation of Labor (WCL). The confederations negotiate national level collective bargaining agreements with the employer associations, which in effect are binding on all employers in a sector or industry. Through a July 1993 tripartite agreement, the confederations accepted wage moderation and agreed to consult with the government on economic and social policy.

EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENT

Financial resources flow relatively freely in Italian financial markets and credit is allocated on market terms. Foreign participation in Italian markets is not restricted. Capitalization on the Italian stock market is small relative to that of other G-7 countries. Activity on the stock market increased dramatically in 1999 and 2000. The market is technologically modern and efficiently administered. The Italian government bond market, among the world's largest, is predominantly an electronic screen-based market, and is also administered efficiently.

The Italian banking system used to be highly fragmented and generally regarded as inefficient, with high operating costs and excessive dependence on interest rate spreads for income. The process of restructuring and modernization solicited by the Central Bank and the privatization process of the second half of the nineties improved the efficiency of the Italian banking sector. As a result of the merger process of the second half of the nineties, the top five Italian banks control 54 percent of total assets (36 percent in 1995), fairly in line with other European countries like France and Spain, and larger than that in Germany and in the United States. Solicited by the banking supervision department of the Central Bank, Italian banks negotiated measures with the unions and the government intended to reduce the unit labor cost. As a result of this process, the unit labor cost in the period 1997-2000 grew only 1.2 percent in nominal terms. Moreover, through financial incentives valued at 2.6 trillion lire (USD 1.2 billion) 21,900 employees have been laid off and the overall employment in the banking sector decreased by 3 percent. In 1999 the ratio between labor cost and revenues in Italy is close to that of other European countries, like France, Germany and Spain. Yet the unit labor cost remains one of the higher in the countries of the EURO area. The improvement in efficiency and credit management reduced the ratio between new uncollectable loans and total credit from 2.5 percent in the mid-nineties to one percent in 2001. The increase in terms of efficiency reverberated positively in the rates of international rating institutions. Government ownership of financial institutions, once common, has almost disappeared as a result of privatization. The return on equity systemwide improved substantially, but is still below the European average. ABI, Italy's banking association, contends that the average tax rate of 53 percent, compared to a 37 percent EU average, hurts Italian banks' profitability.

There are percentage limits on cross-shareholding among banks and between banks and non-bank companies. Complex cross-shareholding has been used to fight off takeover attempts in the financial sector, but this has not been directed at takeovers by foreign companies.

CONVERSION AND TRANSFER POLICIES

In conformance with EU directives, Italy has no foreign exchange controls. There are no special exchange rates and currency transfers are freely permitted. There are no restrictions on repatriation of capital and earnings, or on payments to foreign creditors.

Italians are free to undertake financial transactions abroad, including direct investments and purchases and sales of foreign securities, real estate and loans. Regulations formerly prohibiting residents from entering or leaving the country with bearer securities worth more than 20 million lire (about \$12,500) have been lifted. Residents may freely hold foreign exchange and Italian lire in any form in Italy and abroad. Banks and authorized intermediaries must submit data on their foreign exchange transactions exceeding 20 million lire to the foreign exchange office of the Bank of Italy.

EXPROPRIATION AND COMPENSATION

The Italian constitution permits expropriation of private property for "public purposes". Compensation is guaranteed and must adequately compensate the legitimate proprietor for losses. Lenders are not covered by the same constitutional guarantee as proprietors.

The constitution also authorizes the nationalization of enterprises, which provide essential public services or are indispensable to the national economy. There are two or three longstanding disputes in Italy involving U.S. citizens who assert that municipal governments unjustly expropriated their real property or inadequately compensated them.

DISPUTE SETTLEMENTS

U.S. investors in Italy have a choice in selecting a means of dispute resolution, which should be specifically set forth in the contract. Given the slowness of the Italian judicial system (normally 3 - 5 years for trial in a civil matter and two automatic appeals), investors are advised to choose arbitration, which can be Italian or international.

POLITICAL VIOLENCE

Political violence is considered a low threat to foreign investments in Italy. There are some fears of possible disorders in the area around Genoa during the G8 summit of July 20-22, 2001.

BILATERAL INVESTMENT AGREEMENTS

Italy has bilateral investment agreements with the following countries:

Albania	Kuwait
Algeria	Latvia
Argentina	Lithuania
Bangladesh	Macedonia
Barbados	Malaysia
Belarus	Mongolia
Bolivia	Oman
Bulgaria	Peru
Chile	Philippines
China	Poland
Croatia	Romania
Cuba	Russia
Czech Republic	Saudi Arabia
Egypt	South Korea
Ethiopia	Sri Lanka
Hungary	Tunisia
Indonesia	Ukraine
India	United Arab Emirates
Jamaica	Uruguay
Kazakistan	Vietnam

The 1948 U.S.-Italy Friendship, Commerce and Navigation Treaty contains provisions that may protect U.S. investment in Italy. Generally, existing bilateral investment accords create favorable conditions and guarantees for capital investment. They include reciprocal guarantees of equal treatment vis-à-vis domestic firms and most-favored-nation status vis-à-vis third countries, assurances against expropriation without fair

market compensation and indemnities against losses suffered during war or revolution. Agreements also include statements allowing for the free transfer of returns, royalties and funds to maintain investments. They usually detail the procedures under which disputes would be arbitrated.

OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

The U.S. Overseas Private Investment Corporation (OPIC) does not operate in Italy. Italy is a member of the Multilateral Investment Guarantee Agency (MIGA).

CAPITAL OUTFLOW POLICY

In conformance with EU directives, Italy has no foreign exchange controls. There are no special exchange rates and currency transfers are freely permitted. There are no restrictions on repatriation of capital and earnings, or on payments to foreign creditors.

MAJOR FOREIGN INVESTORS

Italy has for several years been a net source of foreign investment. In 2000, Italy received the second lowest amount of foreign direct investment in the European Union. Foreign investment in Italy totaled \$12.7 billion (1.2 percent of GDP), up from \$7.3 billion (0.6 percent of GDP), but grew more slowly than in other European countries. Italian direct investment abroad totaled \$10.0 billion (0.9 percent of GDP), up from \$4.4 billion (0.4 percent of GDP) in 1999.

The services sector remained the largest recipient of inflows at \$6.9 billion, up from \$5.0 billion registered in 1999. Investment in banking and insurance led the list. Investment inflows in industrial activity increased to \$5.5 billion in 2000. A key area of foreign industrial investment in Italy is the machine sector.

The Bank of Italy estimates that the stock of total foreign direct investment in Italy at the end of 2000 was \$109.3 billion, or 10.2 percent of GDP, of which U.S. investment amounted to \$14.9 billion, 13.6 percent of total. The stock of total Italian direct investment abroad was \$159.4 billion (14.8 percent of GDP). Italian investment in the U.S. was valued by the Bank of Italy at \$17.7 billion (11.1 percent of total Italian direct investment overseas).

According to Bank data, Switzerland has the largest stock of foreign direct investment in Italy (14.6 percent of the total), followed by the U.S. EU countries as a whole account for 62.6 percent of foreign investment, with Netherlands, France, U.K., Germany, and Luxembourg the principal sources. Although Japan is a net investor in Italy, both Italian investments in Japan and Japanese investment in Italy (mostly in the banking and insurance sectors) are modest: 1.8 and 0.9 percent of the respective totals.

Except for Sweden, Italy's European Union partners are net recipients of Italian investment. Among non-EU countries, the largest recipients of Italian investment are the United States, Brazil and Argentina.

At end 2000, about two-thirds of U.S. investment in Italy is in industry and one-third is in services. The chemical sector has the largest share of U.S. industrial investment -- \$2.6 billion. The largest portion of service sector investment was in banking and insurance -- \$2.1 billion.

Many well known major multinationals, both U.S. and foreign, have a presence in Italy. General Electric, IBM, AT&T, Boeing, Pfizer, EDS, and McDonalds are just a few of the American companies with sizeable investments in Italy.

About 51 percent of Italy's \$17.7 billion direct investment in the U.S. was in the services sector, with the remainder in industry (39 percent) and energy (9 percent). The value of direct investment in banking and insurance activities was \$4.3 billion. The top category among industrial investments was mechanical products, and the level of investment increased from \$2.6 billion in 1999 to \$2.7 billion in 2000.

HOST COUNTRY CONTACT INFORMATION FOR INVESTMENT-RELATED ACTIVITIES

For information on foreign investment in Italy, contact Sviluppo Italia, a government body with offices in the U.S. and other countries, or the Italian Trade Commission in Rome as follows:

Istituto Nazionale del Commercio Estero
Area Cooperazione Investimenti e rapporti con la UE e con OMC
Via Liszt, 21
00144 Roma EUR
Tel: +39-06-5992-9381
Fax: +39-06-5992-6002
+39-06-5422-0007
+39-06-5421-8275

Sviluppo Italia
Via Molise
00187 Roma
Tel: +39-06-42129-1
Fax: +39-06-41219-232

(See also Section VIII "Availability of Project Financing".)

CHAPTER 8: TRADE AND PROJECT FINANCING

DESCRIPTION OF THE BANKING SYSTEM

There are numerous banking offices located throughout the country, with over 800 banks and 28,000 branches performing commercial services. Among the most important are the Intesa-Bci, San Paolo-IMI, Banca di Roma, Unicredito Italiano, and Banca Nazionale del Lavoro. These banks are a principal source of credit information. The banking sector is undergoing consolidation involving mergers and acquisitions among the major banks.

This process is expected to continue over the next several years as the Italian banking sector seeks to become more competitive in the European market.

Several U.S. banks perform banking services in Italy through branches, subsidiaries, or representatives. Many American banks can also provide their commercial customers with bank reports on an overseas buyer as well as provide assistance on letters of credit and foreign exchange. U.S. banks with offices in Italy include Chase, Citibank, Morgan Guaranty Trust, Bank of New York, and Bank of America and numerous smaller, regional banks.

Banks in Italy that have the authority to participate in foreign exchange usually have an U.S. correspondent. Foreign currency transfers and foreign exchange transactions must be channeled via authorized intermediaries (the Bank of Italy, the Italian Foreign Exchange Office, and authorized banks). The larger Italian banks have branches in one or more U.S. cities.

The Bank of Italy, Italy's central bank, is widely respected both nationally and internationally as a non-political overseer of the Italian economy responsible for controlling inflation and balance of payments pressures.

FOREIGN EXCHANGE CONTROLS AFFECTING TRADING

Italy has no restrictions on the amount of foreign exchange instruments, currency, or checks that may be brought into the country. Normally, lire 20 million may be taken out of the country, but any amount declared on entry may be reexported.

Italian exchange regulations are issued by the Italian Exchange Office (Ufficio Italiano dei Cambi--UIC), Via Quattro Fontane 123, Rome 00184, Italy under authority of the Ministry of Foreign Trade. Foreign exchange may be sold or acquired from the Bank of Italy or any of the banks authorized by the Bank of Italy. In practice, all commercial banks are authorized to conduct foreign exchange transactions.

Dollar currency, travelers checks, and, in some cases, personal checks, may be exchanged at banks, exchange offices, and authorized tourist offices and hotels. Major credit cards are accepted with proper identification. It is best to first confirm what form of payment is accepted.

GENERAL AVAILABILITY OF FINANCING

Italy has a well-developed banking and credit system with numerous correspondent U.S. banks. Italian banks are subject to close government supervision. The Bank of Italy must authorize the establishment of a new bank.

Until 1993, the Italian banking system was divided into two categories, differentiated by length of lending authorized. The Single Banking Law passed in 1993 abolished this division, effectively allowing all Italian banks to lend at any maturity. Due to this historical legacy, those institutions that focused on longer-term lending remain at the forefront for this type of finance. Short-term business and trade finance is available from a wide range of Italian and U.S. banks.

U.S. firms desiring to finance major portions of their capital investment outside the United States may find capital available in the Eurodollar market. U.S. bank branches in Italy can assist in financing capital investment.

HOW TO FINANCE EXPORTS / METHODS OF PAYMENT

When providing the Italian buyer with a price quote, American firms most frequently provide a quote that includes packing costs, insurance, and freight. This is called the c.i.f. price. The average Italian business representative can then usually determine the charges for customs, taxes, and local transportation to arrive at the final landed cost to importer. The customary terms of sale in Italy are either cash or net. Sales made on cash terms call for payment before delivery, on delivery, or shortly after delivery -- usually within 10 days from the date of delivery. A 2 to 5 percent discount is made for payment of the full amount of the transaction at the end of the specified period from 1 to 4 months from the date of the invoice. The length of the period depends on the commodity involved, the credit standing of the buyer, and the motivation of the seller. A period of up to 2 years is often allowed for payment of capital goods, store equipment, trucks, and similar heavy equipment.

Italian firms indicate that some American suppliers are too rigid in their payment terms and have thus lost business to other suppliers because of their rigidity. Financing is considered as much a competitive factor as the product itself, the delivery date, or after-sales service. While some U.S. manufacturers request payment upon receipt of the goods, more successful sellers are offering terms allowing settlement of the account from 60 to 120 days following receipt of the order.

The use of irrevocable letters of credit for the Italian market has declined appreciably in recent years. Although such instruments are still required by American exporters, especially when the Italian customer's credit reputation is not well known, the growing reluctance of Italian firms to provide letters of credit has required American exporters to utilize other methods to assure payment or lose the sale to other suppliers in the competitive Italian market. The Italian businessperson is reluctant to pay a high fee for a letter of credit when other suppliers or means of payment are available. American firms have put to greater use the export credit insurance and guarantee programs available through the Foreign Credit Insurance Association (FCIA).

Just as the terms of any sales offer should be presented in a clear and detailed manner, shipments should conform to the contract and to any samples that may have been sent to the Italian importer. Special attention should be given to the prompt observance of agreed delivery schedules, as prompt delivery may be a decisive and possibly an overriding consideration of the importer in placing additional orders. When shipping on letter of credit, all terms specified on the letter of credit must be strictly observed. If the terms are not followed, the letter of credit may not be honored by the bank.

EXPORT FINANCING AND INSURANCE

As a member of the G-7, Italy as a market for U.S. exporters does not warrant any special USG credit assistance. The network of Italian banks with branches in the U.S.

will offer limited export credit assistance. Similarly, large U.S. banks and/or local banks located in the exporter's state can offer factoring; exchange fluctuation hedging and limited exporter's credit services. The Export-Import Bank of the United States (Exim Bank) and FCIA consider Italy a low political risk country. Italy is classified as a "rich" country under the OECD rate classification. Small business exporters may obtain assistance under the SBA's Export Revolving Line of Credit (ELRC) loan program.

AVAILABILITY OF PROJECT FINANCING

The Italian government has for decades promoted development in poorer parts of the country, particularly the southern "Mezzogiorno", through incentives such as tax reductions and financial assistance for private investment projects. A number of American companies have taken advantage of these incentives over the years to establish facilities in Italy. The government is trying to promote the "one office" concept so that potential investors have one place to go for all the information and permits they may require. At present, however, a company seeking information on these incentives should inquire at all of the following agencies:

1. Istituto per la promozione industriale
Viale Maresciallo Pilsudsky, 124
00197 Rome, Italy
Tel. +39-06-809721
Fax +39-06-8072898
2. Ministero dell' Industria, Commercio ed Artigianato
(Ministry of Industry and Commerce)
Direzione Generale per il Coordinamento degli Incentivi alle Imprese
(Directorate for Coordination of Enterprise Incentives)
Via del Giorgione, 2
00111 Roma
Tel. +39-06-5401-633
Fax +39-06-5960-1226
3. Sviluppo Italia
Via Molise
00187 Rome, Italy
Tel. +39-06-42129-1
Fax +39-06-41219-232
4. Ministero del Tesoro, Bilancio e Programmazione Economica
(Ministry of the Treasury, Budget and Economic Planning)
Dipartimento delle politiche di Sviluppo ed di Coesione
Responsabile Servizio Contrattazione Programmata
Tel. +39-06-4816-1242
Fax +39-06-4745-327

LIST OF BANKS WITH CORRESPONDENT U.S. BANKING ARRANGEMENTS

A large number of Italian banks have correspondence relationships with U.S. banks.
Below is a listing of Italian banks with branch offices in the U.S.

San Paolo IMI
Corso Galileo Ferraris 54/A
10129 Torino
Tel: +39-011-5551
Fax: +39-011-555-6650
www.sanpaolo.it

444 South Flower Street
45th Floor
Suite 4550
Los Angeles, CA 90071
Tel: (213) 489-3100
Fax: (213) 622-2514
losangeles.us@sanpaolo.com

245 Park Avenue, Suite 3500
New York, NY 10167
Tel: (212) 692-3000
Fax: (212) 599-5303/599-5304
Newyork.us@sanpaolo.com

Banca di Roma
Via M. Bianchini 68
00142 Roma
Tel: +39-06-67077691
Fax: +39-06-67077693
www.bancaroma.it

34 East 51st Street
New York, NY 10022
Tel: (212) 407-1600/407-1707/407-1746
Fax: (212) 407-1677
Bdrny@earthlink.net

225 West Washington Street, Suite 1200
Chicago, IL 60606
Tel: (312) 368-8855
Fax: (312) 726-3058
Bdrchicago@aol.com

One Market Stewart Tower, Suite 1000
San Francisco, CA 94105
Tel: (415) 357-0800
Fax: (415) 357-9869
Bdrsf@opticemail.com

CARIPO - Cassa di Risparmio delle Provincie Lombarde S.p.A.
Via Giuseppe Verde 8

20121 Milano
Tel: +39-02-4142
Fax: +39-02-88663119
www.cariplo.it
scrivici@cariplo.it

Banca Intesa (Division of CARIPLO)
190 South La Salle Street, Suite 2890
Chicago, IL 60603
Tel: (312) 444-1500
Fax: (312) 444-1501

Banca Intesa (Division of CARIPLO)
One Embarcadero Center, Suite 2820
San Francisco, CA 94111-3717
Tel: (415) 439-6780
Fax: (415) 439-6785

Banca Nazionale del Lavoro BNL S.p.A.
Via V. Veneto, 119
00187 Roma
Tel: +39-06-470-21
Fax: +39-06-470-7298
www.bnl.it

25 W. 51st Street
New York, NY 10019
Tel: (212) 581-0710
Fax: (212) 489-9088
comdiv@bnlmy.com

Xerox Center 55 West Monroe Street, Suite 3490
Chicago, IL 60603
Tel: (312) 444-9250, 444-9251, 444-9252, 444-9253, 444-9254
Fax: (312) 444-9410
BNLChicago@aol.com

Banca Commerciale Italiana S.p.A.
Piazza della Scala, 6
20121 Milano
Tel: +39-02-88501
Fax: +39-02-8850-3624
www.bci.it

1 William Street
New York, NY 10004
Tel: (212) 607-3500
Fax: (212) 809-2124

150 North Michigan Ave., Suite 1500
Chicago, IL 60601

Tel: (312) 346-1112
Fax: (312) 346-5758

555 S. Flowers Street, Suite 4300
Los Angeles. CA 90071
Tel: (213) 624-0440
Fax: (213) 624-0457

Banco di Napoli S.p.A.
Via Toledo, 177/178
80132 Naples
Tel: +39-081-792-1111
Fax: +39-081-580-1343
www.bancodinapoli.it

4 East 54th St.
New York, NY 10022
Tel: (212) 872-2400
Fax: (212) 872-2426

Banco di Sicilia S.p.A.
Via Roma 185
90133 Palermo
Tel: +39-91-608-4247
Fax: +39-91-608-4399
www.bancodisicilia.it
sicilbanco@bancodisicilia.it

Credito Italiano
Direzione Centrale
Piazza Cordusio
20123 Milano
Tel: +39-02-88621
Fax: +39-02-837-0161
www.credit.it
info@credit.it

375 Park Avenue
New York, NY 10152
Tel: (212) 546-9600
Fax: (212) 546-9675

Two Prudential Plaza
180 North Stetson Suite 1310
Chicago, IL 60601-6713
Tel: (312) 946-1-111
Fax: (312) 946-1-112
unicrechgo@aol.com

Monte dei Paschi di Siena
Piazza Salimbeni, 3

53100 Siena
Tel: +39-0577-294-111
Fax: +39-0577-294-653
www.mps.it

55 East 59th Street
New York, NY 10022-1112
Tel: (212) 891-3600
Fax: (212) 891-3661/30

CHAPTER 9: BUSINESS TRAVEL

BUSINESS CUSTOMS

In general, what is considered good business practice in the United States also applies when doing business in Italy. Businesspeople in Italy also appreciate prompt replies to their inquiries, and they expect all correspondence to be acknowledged. Conservative business attire is recommended at all times. Business appointments are also required, and visitors are expected to be punctual. The "golden keys" of customary business courtesy, especially replying promptly to requests for price quotations and to orders, are a prerequisite for exporting success. In general, European business executives are more formal than their American counterparts; therefore, it is best to refrain from using first names until a solid relationship has been formed. During the first stages of conducting business, it is best to let the prospective buyer take the lead since the American approach of "getting down to business" may be considered abrupt. Avoid commenting on political events or negative comments about the country. Some positive and sincere observations about the Italian culture, style, art, history, cuisine, or music are always appropriate. Italian business executives tend to use titles indicating their position in the firm. Friendship and mutual trust are highly valued, and once an American has established this relationship a productive business association can usually be counted upon.

Italian buyers appreciate style, quality, and service, but are also interested in delivered price. Care must be taken to assure that stated delivery dates will be maintained and that after-sales service will be promptly honored. Italians, and Europeans in general, are concerned that after placing an order with a supplier that the delivery date be honored. While there are numerous factors that may interfere with prompt shipment, the U.S. exporter must allow for additional shipping time and keep in close contact with the buyer. Meeting delivery schedules is of prime importance. It is much better to quote a later delivery date that can be guaranteed than promise an earlier delivery that is not completely certain.

TRAVEL ADVISORY AND VISAS

Every U.S. traveler must have a valid passport. No visa is required of U.S. citizens visiting Italy for less than 3 months, but one is required for longer stays. American citizens entering Italy must register at the police station (Questura) within 8 days of entering the country if they plan to stay more than 30 days. Hotels automatically register their guests with the police. U.S. citizens planning to work in the country must first

obtain a work visa in the U.S. from the Italian Embassy or an Italian Consulate. Work permit approval must first be obtained by the Italian employer and is usually granted only for specialized work or skills. The Italian employer files an application at a Provincial Labor Office. If clearance is granted, the prospective employer is further required to obtain a work permit with the approval of the regional and central authorities. The permit is then sent to the worker so that he or she may apply for the entry visa. There are Italian consular offices in all of the largest American cities. The application process should be initiated three to four months before the visa will be needed.

A person seeking to work in Italy in an independent or self-employed capacity files an application directly with the Italian Embassy or Consulate along with needed credentials demonstrating experience in the field of work.

For further information concerning entry requirements for Italy, travelers can contact the Consular Section of the Embassy of Italy at 3000 Whitehaven Street, NW, Washington, DC 20008, telephone: (202) 612-4405 or 612-4407, or fax 518-2141, or the nearest Italian Consulate General in Boston, Chicago, Detroit, Houston, Los Angeles, Miami, Newark, New York, Philadelphia, or San Francisco. The Embassy website is: [HTTP://ITALYEMB.ORG](http://ITALYEMB.ORG).

Italy has a very low rate of violent crime, little of which is directed toward tourists. Petty crime (pickpocketing, theft from parked cars, purse snatching) is a significant problem, especially in large cities. Most reported thefts occur at crowded tourist sites, on public buses, or at the major railway stations, including Rome's Termini, Milan's Centrale, Florence's Santa Maria Novella, and the Centrale in Naples. More detailed information is available from the Department of State's Consular Information Sheet for Italy. Contact the Bureau of Consular Affairs' homepage at: <http://www.travel.state.gov>. The Embassy's homepage can be found at: <http://www.usembassy.it>.

U.S. Citizens are reminded that certain Alitalia flights between Italy and various middle eastern points (usually Damascus or Amman) make en route stops in Beirut. The State Department warns U.S. Citizens of the risks of travel to Lebanon and recommends that Americans exercise caution while traveling there.

Embassy and Consulate locations:

The U.S. Embassy in Rome is located at Via Veneto 119/A, telephone: +39-06-46741, fax: +39-06-488-2672 or 4674-2356. There are U.S. Consulates at the following locations: Florence, at Lungarno Amerigo Vespucci 38, telephone: +39-055-239-8276/7/8, or 217-605; fax: +39-055-284088; Milan, at Via Principe Amedeo 2/10, telephone: +39-02-290351; fax: +39-02-2900-1165; Naples, at Piazza della Repubblica, telephone: +39-081-583-8111; fax: +39-081-761-1869; Palermo (consular Agent), at Via Vaccarini 1, telephone: +39-091-305857 or +39-337-793421 (cellular); fax: +39-091-6256026. Trieste (consular agent), at Via Roma 15, telephone: +39-040-660177, fax: +39-040-631240; Genoa (consular agent), Via Dante 2, telephone: +39-010-584492; fax: +39-101-553-3033.

WORKWEEK

The usual Italian business hours are from 8 or 9 A.M. to Noon or 1 P.M. and from 3 to 6 or 7 P.M., Monday through Friday. Working hours for the various ministries of the government are normally from 8 A.M. to 2 P.M. without inter-mission. Bank hours are from 8:30 A.M. to 1:30 P.M. and 3:00-4:00 P.M.; they are closed on Saturdays. Retail establishments are closed on Sundays although there are exceptions primarily in tourist areas. Italy recently enacted legislation providing flexibility in store operating hours when retail establishments can be open.

HOLIDAYS

Italian holidays must be taken into account when planning a business itinerary. July and August are poor months for conducting business in Italy since most business firms are closed for vacation during this period. The same is true during the Christmas and New Year period. Italian commercial holidays are listed below and are the official statutory holidays when most commercial offices and banks are closed. Certain other days are celebrated as holidays within local jurisdictions. Italian holidays are also observed by the U.S. Embassy and should be considered when telephoning or visiting the U.S. and Foreign Commercial Service staff there. When an Italian holiday falls on a Saturday, offices and stores are closed.

Listed below are Italian holidays for 2001-2002:

2001:

January 6, Saturday	Epiphany
April 16, Monday	Easter Monday
April 25, Wednesday	Anniversary of the Liberation
May 1, Tuesday	Labor Day
August 15, Wednesday	Assumption Day
November 1, Thursday	All Saints' Day
December 8, Saturday	Feast of the Immaculate Conception
December 26, Wednesday	St. Stephen's Day

2002:

January 6, Sunday	Epiphany
April 1, Monday	Easter Monday
April 25, Thursday	Anniversary of the Liberation
May 1, Wednesday	Labor Day
August 15, Thursday	Assumption Day
November 1, Friday	All Saints' Day
December 8, Sunday	Feast of the Immaculate Conception
December 26, Thursday	St. Stephen's Day

Patron Saint's Day are observed by the following cities:

Milan:

December 7, 2001, Friday St. Ambrogio's Day
December 7, 2002, Saturday St. Ambrogio's Day

Florence & Genoa:

June 24, 2001, Sunday

St. John's Day

June 24, 2002, Monday

St. John's Day

Rome:

June 29, 2001, Friday

St. Peter and St. Paul's Day

June 29, 2002, Saturday

St. Peter and St. Paul's Day

Palermo:

July 15, 2001, Sunday

St. Rosalia's Day

July 15, 2002, Monday

St. Rosalia's Day

Naples:

Sept. 19, 2001, Wednesday

St. Gennaro's Day

Sept. 19, 2002, Thursday

St. Gennaro's Day

BUSINESS INFRASTRUCTURE

Italian is the official language and is spoken in all parts of Italy, although some minority groups in the Alto Adige and Aosta regions speak German and French, respectively. Correspondence with Italian firms, especially for an initial contact, should be in Italian. If a reply comes in English then the subsequent correspondence with the Italian firm can be in English. The use of Italian is not only regarded as a courtesy, but assures prompt attention, and prevents inaccuracies which might arise in translation. Most large commercial firms are able to correspond in various languages in addition to English and Italian, but a business overture or proposal is given more serious attention if written in Italian.

The importance of having trade literature, catalogs, and instructions for the use of servicing of products printed in Italian cannot be overemphasized. The agent representative in Italy who has such material is in a far better competitive position than the one who can only show prospective customers and consumers literature in English.

With the ease of telephone communications, international calls are frequently the best method of arranging appointments and maintaining solid commercial relations. Fax machines have increased the speed and ease of international communications and should be used to maintain strong business ties. The Italians are usually able to handle business calls in English; however, be prepared to expect some language differences and to make simple requests in Italian. The time zone for Italy is 6 hours ahead of U.S. eastern standard time.

As in many Western European countries, Italy's telephone dialing procedures have changed and the city code has become part of each telephone number. An example of a local call within Rome would be: 06-46741 (06 is the city code). Incoming long distance calls to Italy also require that the "0" in the city code be included when dialing. An example of an incoming long distance call from the U.S. to Rome is as follows: +39-06-46741 (39 being the country code, 06 the city code for Rome). Milan's city code 02. Italians are avid users of mobile phones and will generally provide their mobile telephone number. With regards to dialing procedures of mobile phones, please note that as of June 2001, the "0" has been dropped from the prefix of all mobile phone numbers. An

example of an incoming long distance call from the U.S. to Rome is as follows: +39-328-6187041 (39 being the country code, 328 a sample mobile prefix).

Many Italian companies are now using E-mail communications; requests for E-mail addresses are becoming more frequent from Italian businesspersons.

Medical services are good and hospitals compare with those in the United States. Common medical needs are readily obtained, and special supplies are normally available on short notice. An international certificate of vaccination is not required for travelers from the United States. Drinking water is acceptable and most pharmaceuticals are available, and sanitation is at American standards.

Rental automobiles are available at numerous locations. An international or state driving license is acceptable. Tipping is as appropriate in Italy as it is in the United States. Generally, tip waiters 10 percent if "servizio" has not been added to the check.

Electrical power supplies are generally 220 volts, 50 cycles, single-phase and 380 volts, 50 cycles, three-phase. Electricity at 60 cycles is not available. American appliances, such as electric shavers or hair dryers, do not work and will be damaged if used without a transformer. Service interruptions are rare and the frequency of the current is stable. The electrical plug is the standard plug B. This is a plug that has two round pins instead of the flat prongs. Some outlets may require different plugs in other parts of the country.

Currency

The basic monetary unit is the lira (plural: lire) and is usually indicated as L or Lit. When Italy joined the European Economic and Monetary Union, effective January 1, 1999, the exchange rate between the Euro and lira was fixed at L1936 = 1 Euro. The value of the Euro changes with respect to the dollar, which in turn changes the value of the lira against the dollar. Check the financial section of the daily news-paper for the current exchange rate.

Europe will move to the Euro as the single currency effective January 1, 2002. The single currency will become part of daily life, and Euro notes and coins will finally come into circulation. Officially, national banknotes and coins are scheduled to be withdrawn from use by February 28, 2002. More detailed information regarding the Euro -- including a conversion timetable -- can be found on the European Union's official website: <http://europa.eu.int>. This website also carries articles concerning the impact that the Euro will have on non-EU countries and how businesses can prepare for this important change.

Major U.S. credit cards are usually accepted with proper identification, such as a passport but visitors should always ask if a particular card is accepted prior to ordering meals or making hotel reservations. Travelers checks are accepted, but visitors should first inquire on the policy of the bank, hotel, or store before attempting to use them.

TEMPORARY ENTRY OF GOODS

Italy participates in the International Convention to Facilitate the Importation of Commercial Samples and Advertising Materials. Samples of negligible value imported to

promote sales are accorded duty-free and tax-free treatment. Prior authorization is not required. To determine whether the samples are of negligible value, their value is compared with a commercial shipment of the same product. Granting of duty-free status may require that the samples be rendered useless for future sale by marking, perforating, cutting, or other means.

Imported samples of commercial value may be granted a temporary entry and exemption from custom charges. However, a bond or cash deposit may be required as security that the goods will be removed from the country. This security is the duty and tax normally levied plus 10 percent. Samples may remain in the country for up to 1 year. They are not permitted to be sold, put to their normal use (except for demonstration purposes), or utilized in any manner for remuneration. Goods imported as samples may be imported only in quantities constituting a sample according to normal commercial usage.

Carnets

As a result of various customs agreements, simplified procedures are available to U.S. business and professional people for the temporary importation of commercial samples and professional equipment. A carnet is a customs document that facilitates customs clearance for temporary imports of samples or equipment. With the carnet, goods may be imported without the payment of duty, tax, or additional security. The carnet also usually saves time since formalities are all arranged before leaving the United States. A carnet is usually valid for 1 year from the date of issuance and is issued at moderate cost. A bond or cash deposit of 40 percent of the value of the goods covered by the carnet is also required. This will be forfeited in the event the products are not reexported and duties and taxes are not paid.

Carnets are sold in the United States by the U.S. Council for International Business at the following locations: 1212 Avenue of the Americas, New York, NY 10036, (212) 354-4480; 3345 Wilshire Boulevard, Los Angeles, CA 90010, (213) 386-0767; and 1930 Thoreau Drive, #101, Schaumburg, IL 60173.

Business travelers to Italy seeking appointments with U.S. Embassy Rome officials should contact the Commercial Section in advance. The Commercial Section can be reached by telephone at +39-06-4674-2382, fax at +39-06-4674-2113, or E-mail at Rome.Office.Box@mail.doc.gov.

CHAPTER 10: ECONOMIC AND TRADE STATISTICS

APPENDIX A: COUNTRY DATA (Jan. 1, 2001 Data)

Population:	57.7 Million
Population growth rate:	0.1 %
Religion:	Most Italians are Roman Catholic
Government System:	Parliamentary Democracy
Languages:	Italian. German is the official second language in Trentino-Alto-Adige (Tyrol); French is the official second language in Valle d'Aosta.
Workweek:	38 hours, Monday - Saturday

APPENDIX B: DOMESTIC ECONOMY

USD Millions	2000 (actual)	2001 (estimates)	2002 (estimates)
GDP at current prices	1,073,771	1,134,641	1,267,334
Nominal GDP growth rate (percent)	5.2	5.6	3.7
Real GDP growth rate (percent)	2.9	2.3	2.5
GDP per capita	18,629	19,685	21,987
Government spending as percentage of GDP	48.2	47.8	47.0
Inflation (percent)	2.5	2.7	1.7
Unemployment (percent)	10.6	9.8	9.6
Foreign Exchange Reserves	40,387	42,564	43,440
Average Exchange Rate (Lire/\$)	2,102	2,100	1950
Debt Service Ratio (percent)	5.5	5.6	5.5

APPENDIX C: TRADE STATISTICS

USD Millions	2000 (actual)	2001 (estimates)	2002 (estimates)
Total Italian Exports	237,012	261,041	302,510
Total Italian Imports	235,727	268,933	309,189
Exports to the U.S.	24,559	27,048	31,345
Imports from the U.S.	12,107	12,842	15,013

U.S. Share of Host Country of Manufactured Goods

USD Millions	2000 (actual)	2001 (estimates)	2002 (estimates)
Total from World	197,931	212,136	244,290
Total from the U.S.	9,680	11,122	12,067
U.S. Share of	5.1	6.0	5.7
Manufactured Imports (percent)			
Manufactured Goods	11,608	12,121	13,664
Trade Balance with U.S.			
Projected Average Annual Growth Rate from World through 2001 (percent)	22.8	18.5	11.2
Projected Average Annual Growth Rate from U.S. through 2001 (percent)	37.1	33.7	4.3
Imports of Agricultural Goods			
USD Millions	2000 (actual)	2001 (estimates)	2002 (estimates)
Total from World	8,343	9,189	10,649
Total from the U.S.	506	542	624
U.S. Share of	6.1	5.9	5.9
Agricultural Imports (percent)			
Agricultural Goods	-468	-500	-575
Trade Balance with U.S.			
Trade Balance with Four Leading Partners in 2000			
USD Millions	2000 (actual)	2001 (estimates)	2002 (estimates)
Germany	-5,494	-4,829	-5,274
France	2,920	4,012	4,859
United Kingdom	3,489	4,223	4,994
United States	12,107	10,398	15,011

Source: Bank of Italy, ISTAT, ISAE, Embassy forecast

APPENDIX D: INVESTMENT STATISTICS

Table 1: Foreign Direct Investment Inflows by Economic Sector (NET) 1997-2000 (1)

USD Millions	1997	1998	1999	2000
Agriculture	40.5	13.8	26.4	-17.6
Energy	64.0	-110.5	-13.2	112.7
Industry, of which:	1,633.6	1,678.8	2,192.0	5,490.5
Machine	855.5	1,236.6	517.1	6,226.5
Chemical	77.5	158.3	387.2	525.7
Food	256.6	116.9	361.9	441.5
Textiles	119.8	32.2	248.6	309.2
Mineral/Metal	158.0	49.5	505.5	293.1
Other	166.2	85.3	171.7	-2,305.5
Building and Public Works	42.9	44.9	152.4	241.7
Services, of which:	3,061.0	2,545.1	5,014.2	6,896.3
Banking/Insurance	1,317.1	1,712.1	2,298.1	3,759.3
Trade	256.6	85.2	640.8	-1,452.4
Transportation/Communication	157.4	-257.9	738.0	2,354.9
Other services (not for sale)	1,329.9	1,005.7	1,337.3	2,234.5
TOTAL	4,842.0	4,172.1	7,371.8	12,723.6

(1) Compiled by the Economic Section of the Embassy based on Bank of Italy data and converted at the following average exchange rates:

Lira/Dollar	1997	1998	1999	2000
	1,703	1,737	1,818	2,102

NET = New investment less disinvestment

Table 2: Italian Direct Investment Outflows by Economic Sector (NET) 1997-2000 (1)

USD Millions	1997	1998	1999	2000
Agriculture	45.8	247.9	-22.0	13.8
Energy	1,250.7	655.2	2,422.4	41.3
Industry, of which:	3,367.0	2,337.4	5,135.9	4,436.7
Machine	1,289.5	1,190.0	2,617.7	2,663.2
Chemical	563.7	46.6	388.9	570.9
Food	378.7	292.5	677.1	-150.8
Textiles	335.3	272.3	190.3	389.6
Mineral/Metal	334.1	318.9	641.9	177.5
Other	465.7	217.1	620.0	786.3
Building and Public Works	54.4	25.6	188.7	263.6
Services, of which:	6,773.3	10,754.6	-3,356.5	5,219.4
Banking/Insurance	5,643.6	8,914.2	1,820.7	1,080.4
Trade	304.2	332.2	777.8	584.2
Transportation/Communication	110.4	906.2	346.0	1,580.4
Other services (not for sale)	715.1	602.0	-6,301.0	1,974.4
TOTAL	11,492.1	14,020.7	4,368.5	9,974.8

(1) Compiled by the Economic Section of the Embassy based on Bank of Italy data and converted at the following average exchange rates:

Lira/Dollar	1997	1998	1999	2000
	1,703	1,737	1,818	2,102

NET = New investment less disinvestment

Table 3A: Stock of Foreign Direct Investment in Italy by Major Investors; Year End 1997-2000 (1)

USD Millions	1997	1998	1999	2000
United States	11,815.2	14,298.2	14,051.4	14,888.1
EU,	47,450.3	61,145.8	62,850.0	68,411.1
of which:				
France	11,101.8	14,446.5	15,501.3	13,924.4
Netherlands	7,562.9	9,771.3	9,522.1	15,045.9
United Kingdom	9,177.9	12,020.3	11,931.5	12,957.4
Germany	7,305.9	9,496.7	10,473.3	9,742.7
Luxembourg	7,513.4	9,406.5	9,712.0	9,781.4
Sweden	2,129.1	2,643.1	2,552.7	2,496.4
Spain	250.7	350.3	463.9	771.9
Other EU (2)	2,408.7	3,011.1	2,693.3	3,691.1
Switzerland	13,764.6	17,377.5	18,445.3	15,997.6
Liechtenstein	1,416.1	1,758.6	1,646.6	1,552.4
Japan	1,510.5	1,951.6	2,035.3	1,914.4
Argentina	128.5	159.1	148.9	139.6
Brazil	38.7	75.6	68.0	62.6
Other	5,030.1	5,976.4	6,352.8	6,307.8
TOTAL	81,154.1	103,099.8	105,598.3	109,273.6

(1) Compiled by the Economic Section of the Embassy based on Bank of Italy data and converted at the following end year exchange rates:

Lira/Dollar	1997	1998	1999	2000
	1,759	1,653	1,927	2,091

(2) Belgium, Austria, Denmark, Finland, Portugal, Greece, Ireland.

Table 3B: Stock of Foreign Direct Investment in Italy by Major Investors; Year end 1997-2000 (Percentage of Total)

USD Millions	1997	1998	1999	2000
United States	14.6	13.9	13.3	13.6
EU,	58.5	59.3	59.5	62.6
of which:				
France	13.7	14.0	14.7	12.7
Netherlands	9.3	9.5	9.0	13.8
United Kingdom	11.3	11.6	11.3	11.9
Germany	9.0	9.2	9.9	8.9
Luxembourg	9.3	9.1	9.2	8.9
Sweden	2.6	2.6	2.4	2.3
Spain	0.3	0.3	0.4	0.7
Other EU (1)	3.0	2.6	2.5	3.4
Switzerland	17.0	16.9	17.5	14.6
Liechtenstein	1.7	1.7	1.6	1.4
Japan	1.9	1.9	1.9	1.8
Argentina	0.2	0.2	0.1	0.1
Brazil	0.0	0.1	0.1	0.1
Other	6.1	5.8	6.0	5.8
TOTAL	100.0	100.0	100.0	100.0

(1) Belgium, Austria, Denmark, Finland, Portugal, Greece, Ireland.

Table 4A: Stock of Italian Direct Investment Abroad by Major Recipient; Year End 1997-2000 (1)

USD Millions	1997	1998	1999	2000
United States	12,318.9	16,131.9	18,198.8	17,749.4
EU,	80,430.4	103,573.5	104,320.7	100,249.2
of which:				
Luxembourg	16,238.2	22,274.7	19,853.7	20,056.0
Netherlands	23,447.4	29,797.3	25,522.6	23,703.5
France	10,585.0	13,626.7	15,235.6	15,965.1
Germany	6,756.7	8,594.7	11,467.6	10,622.7
United Kingdom	8,218.5	10,034.7	11,983.1	14,181.1
Sweden	380.3	510.0	793.5	686.8
Spain	6,253.0	8,044.2	8,003.1	6,583.9
Other EU (2)	6,735.1	8,742.8	9,263.6	8,745.5
Switzerland	9,898.2	11,326.7	9,926.8	10,063.6
Brazil	2,831.2	2,827.0	4,165.0	4,202.3
Argentina	1,992.0	1,712.6	2,057.6	2,438.1
Japan	1,264.4	1,445.3	1,839.6	1,407.9
Liechtenstein	127.8	157.9	140.1	143.0
Other	16,225.1	21,149.4	24,915.0	23,172.1
TOTAL	125,088.1	159,160.3	165,563.6	159,425.6

(1) Compiled by the Economic Section of the Embassy based on Bank of Italy data and converted at the following end year exchange rates:

Lira/Dollar	1997	1998	1999	2000
	1,759	1,653	1,927	2,091

Table 4B: Stock of Italian Direct Investment Abroad by Major Recipient; Year End 1997-2000 (Percentage of Total)

USD Millions	1997	1998	1999	2000
United States	9.8	10.1	11.0	11.1
EU,	64.3	65.1	63.0	62.9
of which:				
Luxembourg	13.0	14.0	12.0	12.6
Netherlands	18.7	18.7	15.4	14.9
France	8.5	8.6	9.2	10.0
Germany	5.4	5.4	6.9	6.7
United Kingdom	8.0	7.5	8.6	8.7
Spain	5.0	5.1	4.8	4.1
Sweden	0.3	0.3	0.3	0.5
Other EU (1)	5.4	3.1	5.6	5.5
Switzerland	7.9	7.1	6.0	6.3
Brazil	2.3	1.8	2.5	2.6
Argentina	1.6	1.1	1.2	1.5
Japan	1.0	0.9	1.1	0.9
Liechtenstein	0.1	0.2	0.1	0.1
Other	13.0	13.3	15.1	14.6
TOTAL	100.0	100.0	100.0	100.0

(1) Belgium, Austria, Denmark, Finland, Portugal, Greece, Ireland.

Table 5A: U.S. Investment in Italy by Economic Sector Outstanding End-year 1997-2000 (1)

USD Millions	1997	1998	1999	2000
Agriculture	9.1	14.5	17.1	20.1
Energy	427.5	529.3	527.8	497.4
Industry,	7,776.0	9,235.3	8,788.8	9,756.6
of which:				
Machine	944.9	1,195.4	1,144.3	2,333.8
Transportation	593.0	729.0	672.0	660.0
Equipment				
Chemical	2,619.1	2,750.8	2,614.9	2,596.4
Food	1,237.1	1,587.4	1,499.2	1,406.0
Textiles	158.6	198.4	193.6	220.7
Minerals/Metals	117.7	152.5	209.7	243.9
Other	2,105.6	2,621.9	2,455.1	2,295.8
Services,	3,602.6	4,519.1	4,717.7	4,614.0
of which:				
Trade	334.3	709.0	676.7	655.7
Banking/	1,797.6	2,219.0		
Insurance				
Transportation/	564.0	426.5	482.1	473.9
Communication				
Other Services	906.9	1,164.5	1,417.7	1,382.1
TOTAL	11,815.2	14,298.2	14,051.4	14,888.1

(1) Compiled by the Economic Section of the embassy based on Bank of Italy data and converted at the following end year exchange rates:

Lira/Dollar	1997	1998	1999	2000
	1,759	1,653	1,927	2,091

Table 5B: U.S. Investment in Italy by Economic Sector Outstanding End-Year 1997-2000
(Percentage of Total)

USD Millions	1997	1998	1999	2000
Agriculture	0.1	0.1	0.1	0.1
Energy	3.6	3.7	3.8	3.3
Industry,	65.8	64.6	62.5	65.5
of which:				
Machine	8.0	8.4	8.1	15.7
Transportation	5.0	5.1	4.8	4.4
Equipment				
Chemical	22.2	19.2	18.6	17.4
Food	10.5	11.1	10.7	9.4
Textiles	1.3	1.4	1.4	1.5
Minerals/ Metals	1.0	1.1	1.5	1.5
Other	17.8	18.3	17.4	15.4
Services,	30.5	31.6	33.6	31.1
Of Which:				
Trade	2.8	5.0	4.8	4.4
Banking/ Insurance	15.2	15.5	15.2	14.1
Transportation/	4.8	3.0	3.4	3.2
Communication				
Other Services	7.7	8.1	10.2	9.4
TOTAL	100.0	100.0	100.0	100.0

Table 6A: Italian Investment in the U.S. by Economic Sector Outstanding End-Year 1997-2000 (Millions of Dollars) (1)

USD Millions	1997	1998	1999	2000
Agriculture	32.4	66.5	47.7	53.6
Energy	1,032.4	1,179.1	1,456.7	1,600.7
Industry,	4,886.9	5,925.0	6,964.7	7,008.1
Of Which:				
Machine	1,861.3	2,399.9	2,551.1	2,687.7
Transportation	600.3	697.5	801.8	791.5
Equipment				
Chemical	227.4	234.1	389.7	488.2
Food	139.9	157.3	416.7	166.9
Textiles	375.2	522.7	644.5	731.7
Minerals/ Metals	1,232.5	1,396.2	1,574.5	1,552.8
Other	450.3	51702	586.4	589.3
Services,	6,367.3	8,961.3	9,729.7	9,087.0
Of Which:				
Trade	718.6	1,013.3	1,130.8	1,137.7
Banking/Insurance	3,030.7	4,759.8	5,191.5	4,272.6
Transportation/	63.1	200.8	0.0	109.5
Communication				
Other	2,554.9	2,987.3	3,407.4	3,567.2
TOTAL	10,077.9	12,318.9	16,131.9	18,198.8

(1) Compiled by the Economic Sector of the Embassy based on Bank of Italy data and converted at the following end year exchange rates:

Lira/Dollar	1997	1998	1999	2000
	1,759	1,653	1,927	2,091

Table 6B: Italian Investment in the U.S. by Economic Sector Outstanding End-Year 1997-2000 (Percentage of Total)

USD Millions	1997	1998	1999	2000
Agriculture	0.3	0.4	0.3	0.3
Energy	8.4	7.3	8.0	9.0
Industry,	39.7	36.7	38.3	39.5
Of Which:				
Machine	15.9	15.1	14.9	14.0
Transportation	4.9	4.3	4.4	4.5
Equipment				
Chemical	1.9	1.4	2.1	2.8
Food	1.1	1.0	2.3	0.9
Textiles	3.0	3.2	3.5	4.1
Minerals/ Metals	10.6	10.0	8.7	8.7
Other	3.7	3.2	3.3	3.3
Services,	51.6	55.6	53.4	51.2
Of Which:				
Trade	5.8	6.3	6.2	6.4
Banking/Insurance	24.6	29.5	28.5	24.1
Transportation/	0.5	1.3	0.0	0.6
Communication				
Other	20.7	18.5	18.7	20.1
TOTAL	100.0	100.0	100.0	100.0

Table 7: Direct Investment by Origin and Destination Outstanding End-Year 2000 (Millions of Dollars) (1)

	Foreign Investment in Italy	Italian Investment Abroad	Net Italian Position
EU,	68,411.1	100,249.2	31,838.1
Of Which:			
United Kingdom	12,957.4	13,885.7	928.3
Netherlands	15,522.1	23,703.5	8,181.4
Germany	9,742.7	10,622.7	880.0
France	13,924.4	15,965.1	2,040.7
Spain	771.9	6,583.9	5,812.0
Luxembourg	9,781.4	23,703.5	13,922.1
Belgium	2,032.0	2,911.5	879.5
Sweden	2,496.4	686.8	527.5
NON-EU,	40,862.5	59,176.4	18,313.9
Of Which:			
USA	14,888.1	17,749.4	2,816.3
Switzerland	15,997.6	10,063.6	-5,934.0
Liechtenstein	1,552.4	143.0	-1,409.4
Japan	1,914.4	1,407.9	-506.5
Canada	577.7	965.5	387.8
Argentina	139.6	1,438.1	1,298.5
Brazil	62.6	2,438.1	2,375.5
Other	530.8	4,202.3	2,672.3
TOTAL	109,273.6	159,425.6	50,152.0

(1) Original data in Lire and converted at the end-1999 exchange rate One Dollar equals 2,091.

(2) Austria, Denmark, Finland, Portugal, Greece, Ireland.

Sources: Italian Exchange Office and Bank of Italy Annual Report 2000.

CHAPTER 11: U.S. AND COUNTRY CONTACTS

U.S. EMBASSY TRADE CONTACTS

Embassy Web Site: www.usembassy.it

Margaret Dean
Minister Counselor for Economic Affairs
American Embassy
Via Vittorio Veneto 119/A
00187 Rome, Italy
Tel: +39-06-4674-2107
Fax: +39-06-4674-2230

Eric Weaver
Minister Counselor for Commercial Affairs
Tel: +39-06-4674-2202
Fax: +39-06-4674-2113
Rome.Office.Box@mail.doc.gov

Lisa Hardy-Bass
Minister Counselor for Agricultural Affairs
American Embassy
Via Veneto 119A
00187 Roma, Italy
Tel: +39-06-4674-2362
Fax: +39-06-4788-7008
AgRome@fas.usda.gov

Karen Milliken
Economic Counselor
Tel: +39-06-4674-2233
Fax: +39-06-4674-2389

Brian McCleary
Commercial Counselor
Tel: +39-06-4674-2382
Fax: +39-06-4674-2113
Rome.Office.Box@mail.doc.gov

Ann Murphy
Agricultural Attache
American Embassy
Via Veneto 119A
00187 Roma, Italy
Tel: +39-06-4674-2362
Fax: +39-06-4788-7008
AgRome@fas.usda.gov

Dana Biasetti
Agricultural Marketing Specialist
American Embassy
Via Veneto 119A
00187 Roma, Italy
Tel: +39-06-4674-2396
Fax: +39-06-4788-7008

CONSULATE CONTACTS

Maria Andrews
Principal Commercial Officer
American Consulate Milan
Via Principe Amedeo 2/10
20121 Milan, Italy
Tel: +39-02-659-2260
Fax: +39-02-659-6561
Milan.Office.Box@mail.doc.gov

Jay Field
Commercial Officer

American Consulate Milan
Tel: +39-02-659-2260
Fax: +39-02-659-6561
Milan.Office.Box@mail.doc.gov

Barbara Lapini
Commercial Representative
American Consulate Florence
Lungarno A. Vespucci 38
50123 Florence, Italy
Tel: +39-055-211-676
Fax: +39-055-283-780
Florence.Office.Box@mail.doc.gov

Susanna Lezzi
Commercial Specialist
American Consulate Genoa
Via Dante 2
16121 Genoa, Italy
Tel: +39-010-543-877
Fax: +39-010-576-1678
Genoa.Office.Box@mail.doc.gov

Albina Parente
Commercial Assistant
American Consulate Naples
Piazza della Repubblica
80122 Naples, Italy
Tel: +39-081-583-8206
Fax: +39-081-761-1592
Naples.Office.Box@mail.doc.gov

ITALIAN GOVERNMENT AGENCIES

Bank of Italy
Credit Institutions Supervision Service
Via Nazionale 187
00184 Roma
www.bancaitalia.it

CONSOB (Securities Regulatory Agency)
Via G.B. Martini 3
00198 Roma
Fax: +39-06-841-6703/8417707
www.consob.it
consob@consob.it

The Italian Embassy
Commercial Section
300 Whitehaven St. N.W.

Washington, DC 20008
Tel: (202) 612-4400
Fax: (202) 518-2154
<http://italyemb.org>

Italian Government Tourist Board (ENIT)
630 Fifth Avenue, Suite 1565
New York, NY 10111
Tel: (212) 245-5095
Fax: (212) 586-9249
www.enit.it
enitny@bway.net

The Italian Trade Commission
(Assists in locating Italian suppliers and products.)
Offices are located in the following cities:

Peachtree Center
Harris Tower
233 Peachtree Street, NE
Suite 2301
Atlanta, GA 30343
Tel: (404) 525-0660
Fax: (404) 525-5112
www.italtrade.com/ice/index.html
atlanta@atlanta.ice.it

401 North Michigan Avenue
Suite 3030
Chicago, IL 60611
Tel: (312) 670-4360
Fax: (312) 670-5147
chicago@chicago.ice.it

1801 Avenue of the Stars
Suite 700
Los Angeles, CA 90067
Tel: (323) 879-0950
Fax: (310) 203-8335
losangeles@losangeles.ice.it

499 Park Avenue
6th Floor
New York, NY 10022
Tel: (212) 980-1500
Fax: (212) 758-1050
www.italtrade.com
newyork@newyork.ice.it

US Bank Center
1420 Fifth Avenue

Suite 2670
Seattle, WA 98101
Tel: (206) 398-0530
Fax: (206) 398-0532
seattle@seattle.ice.it

Dipartimento della Dogana
(Department of Customs)
Via M. Carucci 71
00143 Roma
Tel: +39-06-50241
Fax: +39-06-5095-7346
dogane_dc_ssdoganali@finanze.it

Istituto Nazionale per il Commercio Estero (ICE)
Viale Liszt 21
00144 Roma
Tel: +39-06-59921
Fax: +39-06-5992-6899
www.ice.it
ice@ice.it

Ente Nazionale Italiano di Unificazione (UNI)
(Italian National Bureau of Standards)
Via Battistotti Sassi 11/B
20133 Milano
Tel: +39-02-700-241
Fax: +39-02-7010-5992/6106
www.uni.com
uni@uni.com

Comitato Elettrotecnico Italiano
(Electrical standards and certification)
Via Saccardo 9
20134 Milano
Tel: +39-02-210061
Fax: +39-02-21006210
www.ceiuni.it
cei@ceiuni.it

Ministero dell'Industria e Commercio
Ufficio Centrale Brevetti per Invenzioni
(Patent and trademark applications and inquiries)
Modelli e Marchi
Via Molise 2
00187 Roma, Italy
Tel: +39-06-47052910
Fax: +39-06-4705-2042
www.minindustria.it
www.european-patent-office.org/it/
cccmail@minindustria.it

Presidenza del Consiglio dei Ministri
Ufficio del Proprietà Letteraria, Artistica e Scientifica
(Applications and inquires concerning copyrights)
Via Boncompagni 15
00187 Roma, Italy
Tel: +39-06-487-971
Fax: +39-06-4879-7727
www.palazzochigi.it/urpdie@palazzochigi.it

AGRICULTURAL CONTACTS

Istituto per il Commercio Estero
(Italian Trade Commission)
Contact: Maurizio Forte, Vice-Director,
Food/Agriculture Product Division
Via Liszt 21
00144 Roma (EUR)
Tel: +39-06-59929506
Fax: +39-06-59647364
www.ice.it
ice@ice.it

Ministero delle Politiche Agricole
(Ministry of Agriculture)
Contact: Pasquale Mainolfi, Director, Agr. Production
Via XX Settembre 20
00187 Roma
Tel: +39-06-4884293
Fax: +39-06-4819580

Ministero della Sanita'
(Ministry of Health)
Romano Marabelli, Director General,
Nutrition, Food, and Public Health Dept.
Piazzale Marconi 25
Palazzo Italia
00144 Eur-Roma
Tel: +39-06-59943946
Fax: +39-06-59943217

ITALIAN TRADE ASSOCIATIONS

GENERAL/INDUSTRIAL:

American Chamber of Commerce in Italy
Via Cantu' 1
20123 Milano
Tel: +39-02-869-0661
Fax: +39-02-805-7737

www.amcham.it
amcham@amcham.it

Associazione Bancaria Italiana
(Association of Italian Banks)
Piazza del Gesu 49
00186 Roma
Tel: +39-06-6992-4026
Fax: +39-06-676-7457
www.abi.it
abi@abi.it

Associazione Imprenditrici e Donne Dirigenti d'Azienda (AIDDA)
(Association of women managers and entrepreneurs)
Via degli Scialoja 18
00196 Roma
Tel: +39-06-3230578
Fax: +39-06-3230562
www.aidda.org
aidda@aidda.org

Associazione Nazionale del Commercio con l'Esteri (AN-CE)
(National Association for Foreign Trade)
Via Guattani 16
00161 Roma
Tel: +39-06-845671
www.ance.it
info@ance.it

Associazione Nazionale fra le Imprese Assicuratrici
(National Association of Business Insurance)
Via della Frezza 70
00186 Roma
Tel: +39-06-326-881
Fax: +39-06-322-7135
www.ania.it
info@ania.it

ANFIA - Associazione Nazionale fra Industrie Automobilistiche
(Auto Industry Association)
Corso Galileo Ferraris 61
10128 Torino
Tel: +39-011-5546511
Fax: +39-011-545986
www.anfia.it
info@anfia.it

Assofranchising – Associazione Italiana del Franchising
(Italian Franchising Association)
Corso di Porta Nuova 3
20121 Milano

Tel. +39-02-29003779 - +39 02 6555919
www.assofranchising.it
assofranchising@assofranchising.it

ASTER

(Agency for the Development of Technology in Emilia-Romagna. This agency promotes use of new technologies and international trade in the Region.)

Via G.B. Morgani 4
40122 Bologna
Tel: +39-051-236-242
Fax: +39-051-227-803
www.aster.it
info@aster.it

CESVIT S.p.A. / M. Cube

(M. Cube is part of the European Union's Esprit project to promote the development of the multimedia sector in Italy.)

Via Giovanni del Pian dei Carpi 28-30
50127 Florence
Tel: +39-055-429-4261
Fax: +39-055-429-4220
Contact: Paolo Martinez, Director
www.mcube.org
mcube@cesvit.it

Confederazione Generale dell'Industria (Confindustria)

(Confindustria is the general confederation of Italian industry and principal trade association in Italy acting as an umbrella organization covering numerous industry trade associations.)

Viale dell'Astronomia 30
00144 Roma
Tel: +39-06-59031
Fax: +39-06-591-9615
www.confindustria.it
confindustria@confindustria.it

Confederazione Generale Italiana dell'Artigianato

(General confederation of handicrafts associations.)

Via San Giovanni in Laterano 152
00184 Roma
Tel: +39-06-703-741
Fax: +39-06-7045-2188
www.confartigianato.it
confartigianato@confartigianato.it

Confederazione Generale dell'Agricoltura Italiana

Corso Vittorio Emanuele II 101
00186 Roma
Tel: +39-06-6813-4157
Fax: +39-06-6830-8578/686-1726

Confederazione Generale Italiana del Commercio e del Turismo (Confcommercio)
(Confcommercio is an umbrella trade association affiliated with industry groups in commerce and tourism.)

Via G.G. Belli 2

00153 Roma

Tel: +39-06-58661

Fax: +39-06-580-9425

www.confcommercio.it

confcommercio@confcommercio.it

Confederazione Italiana della Piccola e Media Industria (CONFAPI)

(Industry confederation serving small- and medium-size firms.)

Via della Colonna Antonina 52

00186 Roma

Tel: +39-06-690151

Fax: +39-06-679-1488

<http://confapi.org>

mail@confapi.it

Lega Nazionale Cooperative e Mutue

(National Cooperative and Mutual League)

Via Guattani 9

00161 Roma

Tel: +39-06-844-391

Fax: +39-06-8443-9406/8443-9216

www.legacoop.it/home.htm

presidenza@legacoop.it

Promo Firenze

(Special Agency of the Florence Chamber of Commerce for the promotion of international trade)

Via Por Santa Maria

Palazzo Borsa Merci

50100 Firenze

Tel: +39-055-267-141

Fax: +39-055-267-1404

www.promofirenze.com

promofirenze@promofirenze.com

punto.it

(a "virtual" organization with no fixed address that promotes electronic commerce and internet use)

www.puntoit.org

Unione Italiana delle Camere di

Commercio Industria Artigianato e Agricoltura

(responsible as umbrella organization for all chambers of commerce in Italy)

Piazza Sallustio 21

00187 Roma

Tel: +39-06-47041

Fax: +39-06-470-4342

www.unioncamere.it
unione Camere@unioncamere.it

UCINA - National Union of Italian Shipyards, Nautical Industries and Related Sectors
Piazzale J. F. Kennedy 1
16129 Genoa (GE)
tel; +39/010/5769811
fax: +39/010/5531104
internet: www.ucina.it
e-mail: ucina@ucina.it
Contact: Eng. Andrea Gasparri, Director General

AGRICULTURAL:

American Chamber of Commerce in Italy
John Fauti, Director
Via C. Colombo 153
00143 Roma
Tel: +39-06-5186-1218
Fax: +39-06-5186-1282
www.amcham.it
amcham@amcham.it

Associazione Italiana Allevatori
(Breeders)
Dr. Bonizzi, Director
Via Tomassetti 9/11
00161 Roma
Tel: +39-06-854-5118
Fax: +39-06-848473
www.aia.it
info@aia.it
spag@aia.it

Associazione Italiana Industria Olearia
(Veg Oil)
Giorgio Cilenti, Director Generale
Piazza Campitelli 3
00186 Roma
Tel: +39-06-6994-0058
Fax: +39-06-6994-0118
assitol@foodarea.it

A.I.S.
(Seed Industry Assoc)
Marco Nardi, Secretary
Piazza della Costituzione, Galleria del Reno, Scala C
40128 Bologna
Tel: +39-051-850-3881
Fax: +39-051-355-166

Associazione Nazionale Allevatori Bovini della Razza Bruna
(Brown Swiss Breeders)
Giuseppe Santus, Director
Via Locatelli 20
37122 Verona
Tel & Fax: +39-030-364-280

Associazione Nazionale Allevatori Razza Frisona Italiana
(Holstein Frisian Breeders)
Gerardo Marigliano, Director
Via Bergamo 292
21626 Cremona
Tel: +39-037-412-521
Fax: +39-037-474-203

Associazione Nazionale Allevatori Suini
(Swine Breeders)
Lucca Buttazzoni
Via G.B. De Rossi 3
00161 Roma
Tel: +39-06-844-9106
Fax: +39-06-844-3471

Associazione Nazionale Bieticoltori
(Beet Growers)
Luciano Biasco, Director General
Via D'Azeglio 48
40123 Bologna
Tel: +39-051-334-884
Fax: +39-051-331-403

Associazione Nazionale Cerealisti
(Grain Traders)
Lorenzo Fineschi, Director
Via Po 102
00198 Roma
Tel: +39-06-841-6554
Fax: +39-06-884-0877

ASSALZOO
(Compound Feed)
Emilio Minetti, Secretary General
Via Lovanio 6
100198 Roma
Tel. & Fax: +39-06-854-1641

ANEIOA
(Nat'l Imp/Exp Hort Assoc)
Pino Calcagni, President
Via Sabotino 46
00195 Roma

Tel: +39-06-3751-5147

Fax: +39-06-372-3569

ANIPO

(Nat'l Imp Hort Assoc)

Fausto Ratto, Secretary General

Largo Brindisi 5

00182 Roma

Tel: +39-06-7049-7472

Fax: +39-06-700-4428

FEDERCOMLEGNO

(Wood Trade Federation)

Maurizio Colella, President

Via Toscana 10

00197 Roma

Tel: +39-06-841-7195

Fax: +39-06-8530-1785

FEDERORTOFRUTTA

(Fruit Trade Assoc)

Francesco De Leo

Via Gigli d'Oro 21

00186 Roma

Tel: +39-06-689-3414

Fax: +39-06-689-3409

FEDERVINI

(Wine Trade Assoc)

Federico Castellucci, Director

Via Mentana 2B

00185 Roma

Tel: +39-06-494-1630

Fax: +39-06-494-1566

ITALMOPA

(Millers Assoc)

Fabrizio Vitali, Deputy President

Via Crociferi 44

00187 Roma

Tel: +39-06-678-5409

Fax: +39-06-783-052

www.italmopa.it

italmopa@foodarea.it

UNA

(Poultry Union)

Rita Pasquarelli, Secretary General

Via V. Mariano 58

00189 Roma

Tel: +39-06-325-4015

Fax: +39-06-3325-2427

UNAPROL
(Olive Oil Producers Assoc)
Paolo Nigro, President
Via Rocca di Papa 12
00197 Roma
Tel: +39-06-784-6901
Fax: +39-06-834-4373
unaprol@tin.it

UNICEB
(Livestock Meat Traders)
Renzo Fossato, Director
Via dei Campioni 13
00144 Roma
Tel: +39-06-592-1241
Fax: +39-06-592-1239
uniceb@tin.it

UNIFI
(Pasta Traders Assoc)
Raffaello Ragolini, President
Via Po 102
00198 Roma
Tel: +39-06-854-3262
Fax: +39-06-841-5132
www.unifi-pasta.it
unifi@foodarea.it

ITALIAN MARKET RESEARCH FIRMS

Addressvitt s.r.l.
Via della Moia 2
20020 Milano
Tel: +39-02-934501
Fax: +39-02-9345-0330
www.addressvitt.it
info@addressvitt.it

Commark - Comunicazione e Marketing S.r.l.
Via Isonzo 25
00198 Roma
Tel: +39-06-855-8748/854-9394
Fax: +39-06-841-6677

Databank S.p.A.
Via dei Piatti 11
20123 Milano
Tel. +39-02-809556

Fax: + 39-02-8056495
www.databank.it
info@databank.it
Directa S.r.l.
Via Solari 8
20144 Milano
Tel: +39-02-4819-3581
Fax: +39-02-4801-2277
www.directa-ricerche.com
directa@tin.it

Executive Services Business Centres S.r.l.
Via V. Monti 8
20123 Milano
Tel: +39-02-4819-4271
Fax: +39-02-48013233

Loverso Dr. Alfredo
Via Morosini 39
20135 Milano
Tel: +39-02-55011554
Fax: +39-02-72002889

Nielsen
Via G. di Vittorio 10
20094 Corsico (MI)
Tel: +39-02-451-671
Fax: +39-02-4510-1068/4586-6235

Palandri Horwath S.r.l.
Piazza Navona 49
00186 Roma
Tel: +39-06-686-7841
Fax: +39-06-689-6075
Contact: Dr. Aldo Sanchini

Reseau
Ricerche e Studi su Elettronica & Automazione
Via S. Vittore 39
20123 Milano
Tel: +39-02-4819-3800
Fax: +39-02-439-0535

Serin S.r.l.
Via Nerino 8
20123 Milano
Tel/Fax: +39-02-7202-2215

ITALIAN COMMERCIAL BANKS

Banco di Napoli S.p.A.
Via Toledo, 177/178
80132 Naples
Tel: +39-081-792-1111
Fax: +39-081-580-1343
www.bancodinapoli.it

Banca di Roma
Via M. Bianchini 68
00142 Roma
Tel: +39-06-67077691
Fax: +39-06-67077693
www.bancaroma.it

Banco di Sicilia S.p.A.
Via Roma 185
90133 Palermo
Tel: +39-91-608-4247
Fax: +39-91-608-4399
www.bancodisicilia.it
sicilbanco@bancodisicilia.it

Banca Commerciale Italiana S.p.A.
Piazza della Scala, 6
20121 Milano
Tel: +39-02-88501
Fax: +39-02-8850-3624
www.bci.it

Banca Nazionale del Lavoro BNL S.p.A.
Via V. Veneto, 119
00187 Roma
Tel: +39-06-470-21
Fax: +39-06-470-7298
www.bnl.it

CARIPLO - Cassa di Risparmio delle Provincie Lombarde S.p.A.
Via Giuseppe Verde 8
20121 Milano
Tel: +39-02-4142
Fax: +39-02-88663119
www.cariplo.it
scrivici@cariplo.it

Credito Italiano
Direzione Centrale
Piazza Cordusio
20123 Milano
Tel: +39-02-88621
Fax: +39-02-837-0161
www.credit.it

info@credit.it

Monte dei Paschi di Siena
Piazza Salimbeni, 3
53100 Siena
Tel: +39-0577-294-111
Fax: +39-0577-294-653
www.mps.it

San Paolo IMI
Corso Galileo Ferraris 54/A
10129 Torino
Tel: +39-011-5551
Fax: +39-011-555-6650
www.sanpaolo.it

WASHINGTON-BASED USG COUNTRY CONTACTS

TPCC Trade Information Center
Tel: 1-800-USA-TRADE

U.S. Department of Commerce
Market Access Compliance Office
David DeFalco, Italy Desk Officer
Room H-3042
14th Street and Constitution Ave, NW
Washington, DC 20230
Tel: (202) 482-2178
Fax: (202) 482-2897
www.mac.doc.gov

U.S. Department of State Office of Business Affairs
2201 C Street, NW
Washington, DC 20520
Tel: (202) 646-1625
Fax: (202) 646-3953

U.S. Department of Agriculture
Foreign Agricultural Service
14th St. & Independence Ave. S.W.
Washington, DC 20250
Trade assistance and promotion office:
Tel: (202) 720-7420

Overseas Private Investment Corporation
1100 New York Avenue, NW
Washington, DC 20527
Tel: (202) 336-8799
Fax: (202) 408-9859
www.opic.gov

info@opic.gov

U.S. - BASED MULTIPLIERS RELEVANT FOR ITALY

GENERAL

National Italian American Foundation (NIAF)
(NIAF conducts cultural and educational events, sponsors exchange programs, works to enhance cultural, political, and economic relations between the United States and Italy and serves as an advocacy group.)

1860 19th Street, NW
Washington, DC 20009
Tel: (202) 387-0600
Fax: (202) 387-0800
www.niaf.org

Italy-America Chamber of Commerce
1825 I Street N.W.
Suite 400
Washington, D.C. 20006
Tel: (202) 429-2068
Fax: (202) 429-9574
www.iaccmd.com
info@iaccmd.com

Delegation of the European Community
2300 M Street NW
3rd Floor
Washington, DC 20037
Tel: (202) 862-9500/1/2
Fax: (202) 429-1766

AGRICULTURAL

For the U.S.-based multipliers listed below, the country code **001** is to be dialed before dialing the listed phone number. Also, the European Based Multipliers whose listed offices are listed below must be reached by dialing **011** before the telephone numbers as needed.

Alaska Seafood Marketing Institute
K.C. Dochtermann, Director
1200-112th Ave. NE
Suite C-226
Bellevue, WA 98004
Tel: (425) 451-7464
Fax: (425) 451-9795

Alaska Seafood Marketing Institute
David McClellan

Commodity Consulting
Avda. Monteseny, 32-La Floresta
08190 St. Cugat del Valles
Tel: (34) 93-589-8547
Fax: (34) 93-589-7051

American Forest & Paper Association
Betsy Ward, Executive Director
1111 19th St. NW
Suite 800
Washington D.C. 20036
Tel: (800) 878-8878
Fax: (202) 463-2785

American Hardwood Export Council
Michael Snow, Executive Director
1111 19th St. NW
Suite 800
Washington, D.C. 20036
Tel: (202) 463-2720
Fax: (202) 463-2787

American Hardwood Export Council
David Venables, AHEC Europe Director
3 St. Michael's Alley
London EC3V 9DS, United Kingdom
Tel: (44) 207-626-4111
Fax: (44) 207-626-4222

American Peanut Council
Jeannette Anderson, President
1500 King St.
Suite 301
Alexandria, VA 22314
Tel: (703) 838-9500
Fax: (703) 838-9508 or (703) 838-9089

American Peanut Council
Louise McKerchar
Grosvenor Gardens House
35-37 Grosvenor Gardens
London SW1W, United Kingdom
Tel: (44) 171-828-0838
Fax: (44) 171-823-0839

American Quarter Horse Association
Gary Griffith, Director of Field Operations
2701 I-40 East
P.O. Box 200
Amarillo, TX 79168
Tel: (806) 376-8112

Fax: (806) 376-8112

American Seafood Institute
Colleen Coune-Boragine, Executive Vice President
212 Main St.
Suite 3
Wakefield, RI 02879
Tel: (401) 364-6185
Fax: (401) 364-0031

American Seafood Institute
Claus Frimodt
Baekgaardsvej 1
DK-2640
Hedehusene Denmark
Tel: (45) 4-656-4444
Fax: (45) 4-659-0077

American Seed Trade Association
Dan Urmston, Executive Vice President
225 Reinekers Lane
Suite 650
Alexandria, VA 22314
Tel: (703) 837-8140
Fax: (703) 837-9365

American Seed Trade Association
Gary Richardson, International Committee Chair
Akkadix Corporation
11099 N. Torrey Pines Rd.
Suite 200
La Jolla, CA 92037
Tel: (858) 646-8222
Fax: (858) 625-0158

American Soybean Association
James Guinn, Executive Director
12125 Woodcrest Executive Dr.
Suite 100
St. Louis, MO 63141
Tel: (314) 576-1770 or (800) 688-7692
Fax: (314) 576-2786

American Soybean Association
Dierter Kundrun
Alsterufer 27/28
D-20354 Hamburg, Germany
Tel: (49) 40-40-41-34-5501
Fax: (49) 49-40-41-34-5508

California Prune Board

Richard Peterson, Executive Director
3841 N. Freeway Blvd
Suite 120
Sacramento, CA 95834
Tel: (916) 565-6232
Fax: (916) 565-6237

California Walnut Comission
Dennis Balint, Chief Executive Officer
1540 River Park Dr.
Suite 203
Sacramento, CA 95815
Tel: (916) 646-3807
Fax: (916) 923-2548

California Walnut Comission
Frederico Cuismaro
Access S.A.S.
Via Enrico Clori, 30
00137 Roma, Italy
Tel: (39) 06-868-97742
Fax: same as above

Cotton Council International
Allen Terhaar, Executive Director
1521 New Hampshire Ave. NW
Washington, D.C. 20036
Tel: (202) 745-7805
Fax: 9202) 483-4040

Cotton Council International
Marsha Powell
5th Floor, Empire House
175 Picadilly
London W1V 9DB, United Kingdom
Tel: (44) 171-402-0029
Fax: (44) 171-724-8979

Leather Industries of America
Charles Myers, President
1000 Thomas Jefferson St. NW
Washington, D.C. 20007
Tel: (202) 342-8086
Fax: (202) 342-9063

MIATCO
Tim Hamilton, Executive Director
400 W. Erie St.
Suite 100
Chicago, IL 60610
Tel: (312) 944-3030

Fax: (312) 944-1144

Michigan Bean Shippers Association
J. McGill, Executive Vice President
2345 Midland Rd
P.O. Box 6008
Saginaw, MI 48608
Tel: (517) 790-3010
Fax: (517) 790-3747

Mohair Council of America
Zane Willard, Executive Director
233 W. Twohig
P.O. Box 5337
San Angelo, TX 76902
Tel: (915) 655-3161
Fax: (915) 655-4761

National Association of Animal Breeders
Gordon Doak, President
P.O. Box 5337
Columbia, MO 65203
Tel: (573) 445-4406
Fax: (573) 446-2279

National Dry Bean Council
Amy Philpott, International Marketing Director
6707 Old Dominion Dr.
Suite 315
McLean, VA 22101
Tel: (703) 556-9305
Fax: (703) 556-9301

National Honey Board
Nathan Holleman, Chief Executive Officer
390 Lashley St.
Longmont, CO 80501
Tel: (303) 776-2337
Fax: (303) 776-1177

Northwest Horticulture Council
Christian Schlect, President
Six S. 2nd St.
Suite 600
Larson Building
Yakima, WA 98401
Tel: (509) 453-3139
Fax: (509) 457-7615

Northwest Wine Promotion
Steve Burns, Treasurer

500 Union St.
Suite 945
Seattle, WA 98101
Tel: (206) 667-9463
Fax: (206) 583-0573

Northwest Wine Promotion
Sarah Hatey
Westbury Blake Marketing & Communication
15 Doughty St.
London WC1N 2PL, United Kingdom
Tel: (44) 171-404-5575
Fax: (44) 171-831-8733

Southern U. S. Trade Association
Jim Ake, Executive Director
World Trade Center
2 Canal St.
Suite 2515
New Orleans, LA 70130
Tel: (504) 568-5986
Fax: (504) 568-6010

Tobacco Associates
Kirk Wayne, President
1725 K. St. NW
Suite 512
New Orleans, LA 70130
Tel: (202) 828-9144
Fax: (202) 828-9149

USA Dry Pea & Lentil Council
Tim McGreevy, President
2780 W. Pullman Rd.
Moscow, ID 83843
Tel: (208) 882-3023
Fax: (208) 882-6406

USA Dry Pea & Lenitl Council
David McClellan
Commodity Consulting
Avda. Montseny, 32-La Floresta
08190 St. Cugat del Valles
Tel: (34) 93-589-8547
Fax: (34) 93-589-7051

U.S. Hide, Skin & Leather Association
Len Dondon, President
1700 N. Moore St.
Suite 1600
Arlington, VA 22209

Tel: (703) 841-5485
Fax: (703) 841-9656

U.S. Meat Export Federation
Tom Lipetsky, Director International Programs
1050 17th St.
Suite 2200
Denver, CO 80265
Tel: (303) 623-6328
Fax: (303) 623-0297

U.S. Meat Export Federation
Walter Roesch
Ave. Lazaro Casrdenas 2400 Pte.
Edificio Losoles-Despacho PD-1
San Pedro Garza Garcia, N.L. 66220
Tel: (52) 8-363-2129
Fax: (52) 8-363-0092

USA Rice Federation
4301 N. Fairfax Dr.
Arlington, VA 22203
Tel: (703) 351-8161
Fax: (703) 351-8162
USA Rice Federation
6699 Rookin St.
Houston, TX 77074
Tel: (713) 270-6699
Fax: (713) 270-9021

USA Rice Federation
Alsterufer 28
20354 Hamburg, Germany
Tel: (49) 40-4503-8660
Fax: (49) 40-4503-8666

U.S. Wheat Associates
Alan Tracy, President
1620 I St. NW
Suite 801
Washington, D.C. 20006
Tel: (202) 463-0999
Fax: (202) 785-1052

U.S. Wheat Associates
Vincent Peterson
Hofplein 33
3011 AJ Rotterdam, Netherlands
Tel: (31) 10-413-9155
Fax: (31) 10-433-0438

Wine Institute
John DeLuca, President
425 Market St.
Suite 1000
San Francisco, CA 94105
Tel: (415) 512-0151
Fax: (415) 512-8416

Wine Institute
Sigrun Essenpreis
Engle and Partner
Mathideush 12
Geissler Strasse 4
Tel: (49) 711-826-2166
Fax: (49) 6-873-6969

Western Wood Products Association
Mike O'Halloran, President
522 SW Fifth Ave.
Suite 500
Portland, OR 97204
Tel: (503) 224-3930
Fax: (503) 224-3934

CHAPTER 12: MARKET RESEARCH

Commercial Service Italy Industry Sector Analyses (ISA) and Industry Market Insight (IMI) reports completed/to be completed in fiscal year 2001/2002:

Non-agricultural sectors

ISA REPORTS (fiscal year 2001):

Industry subsector: Internet Security
Date: April 5, 2001
Researcher: N. Postiglione/Milan

Industry subsector: The Italian Defense Market
Date: May 08, 2001
Researcher: C. Sartorio/Rome

Industry subsector: Energy Services
Date: May 30, 2001
Researcher: C. Sartorio/Rome

Industry subsector: Telemedicine Services
Date: July 31, 2001
Researcher: B. Lapini/Florence

Industry subsector: Automotive Parts and Services Equipment

Date: July 31, 2001
Researcher: S. Lezzi/Genoa

Industry subsector: The Italian Aquarium and Terrarium Market
Date: July 31, 2001
Researcher: A. Anselmini/Milan

Industry subsector: The Market for Tourism to the USA from Italy
Date: July 31, 2001
Researcher: G. Vecchio/Milan

Industry subsector: Franchising in Italy
Date: August 31, 2001
Researcher: P. Gattinoni/Milan

Industry subsector: Management Consulting Services in Italy
Date: August 31, 2001
Researcher: F. Albert/Milan

Industry subsector: Digital Versatile Discs (DVD)
Date: September 30, 2001
Researcher: E. Colombo/Rome

Industry subsector: Water Treatment Equipment and Services
Date: September 30, 2001
Researcher: L. Chiocchi/Rome

Industry subsector: Biotechnology
Date: September 30, 2001
Researcher: M. Stannus/Rome

Industry subsector: Filling, Closing, Sealing and Labeling Machines
Date: September 30, 2001
Researcher: A. Gola/Florence

Industry subsector: Air Conditioning Equipment for Residential Use
Date: September 30, 2001
Researcher: M. Calabria/Rome

IMI REPORTS (fiscal year 2001):

Industry Subsector: Who's Who in the Travel and Tourism Industry in Italy
Date: October 13, 2000
Researcher: G. Vecchio/Milan

Industry Subsector: Who's Who in the Media for the Travel and Tourism in Italy
Date: October 13, 2000
Researcher: G. Vecchio/Milan

Industry Subsector: The Positioning of Global Distribution Systems in Italy
Date: October 13, 2000

Researcher: G. Vecchio/Milan

Industry Subsector: Distribution of Building Products in Italy

Date: October 25, 2000

Researcher: F. Alberti/Milan

Industry Subsector: The Construction Industry in Italy

Date: October 25, 2000

Researcher: F. Alberti/Milan

Industry Subsector: The Credit Liability of Italian Tourism Companies

Date: October 26, 2001

Researcher: G. Vecchio/Milan

Industry Subsector: Pleasure Boating Trends in Italy

Date: November 01, 2000

Researcher: S. Lezzi/Genoa

Industry Subsector: Italy: A Promising Market for Native American Handicrafts

Date: November 16, 2000

Researcher: A. Anselmini/Milan

Industry Subsector: E-Commerce in Italy: 3% of Firms Sell On Line

Date: April 20, 2001

Researcher: F. Alberti/Milan

Industry Subsector: SAIE 2001 International Building Exhibition, Bologna, Italy
Opportunity for American Express

Date: April 20, 2001

Researcher: F. Alberti/Milan

Industry Subsector: The Charter Flight Market in Italy

Date: April 20, 2001

Researcher: G. Vecchio/Milan

Industry Subsector: Non-Conventional Medicine Booming in Italy

Date: April 20, 2001

Researcher: P. Gattioni/Milan

Industry Subsector: The E-Market for Sporting Goods in Italy

Date: April 24, 2001

Researcher: A. Anselmini/Milan

Industry Subsector: Six Private Rail Transport Providers Starting June 2001

Date: April 24, 2001

Researcher: F. Alberti/Milan

Industry Subsector: Computer Hardware Higher Sales Rates

Date: April 24, 2001

Researcher: N. Postiglione/Milan

Industry Subsector: Growth in Italy's Market for Automotive Components and Accessories

Date: April 25, 2001

Researcher: S. Lezzi/Genoa

Industry Subsector: Evolution of Travel Online in Italy

Date: April 26, 2001

Researcher: G. Vecchio/Milan

Industry Subsector: Expansion Strategies of the Main Tourism Websites in Italy

Date: April 26, 2001

Researcher: G. Vecchio/Milan

Industry Subsector: Ferragamo Sounds off on Trademark Protection

Date: May 08, 2001

Researcher: P. Gattinoni/Milan

Industry Subsector: Natural Products, Export to Italy with the Assistance of the US Government

Date: May 09, 2001

Researcher: P. Gattinoni/Milan

Industry Subsector: Reptilian Pets Gaining Popularity

Date: May 10, 2001

Researcher: A. Anselmini/Milan

Industry Subsector: Word of Mouth Important in Pet Food Selection

Date: May 10, 2001

Researcher: A. Anselmini/Milan

Industry Subsector: Building Construction up in Italy for the Third Consecutive Year

Date: May 10, 2001:

Researcher: F. Alberti/Milan

Industry Subsector: The SMAU Show Excellent Opportunities for American Companies

Date: May 10, 2001

Researcher: N. Postiglione/Milan

Industry Subsector: LPG Fuel Vehicles in Italy

Date: May 11, 2001

Researcher: S. Lezzi/Genoa

Industry Subsector: ASP Services Growing in Italy

Date: May 12, 2001

Researcher: N. Postiglione/Milan

Industry Subsector: VETS may now sell pet food diet formulas likely to benefit

Date: May 15, 2001

Researcher: A. Anselmini/Milan

Industry Subsector: New Investments at Milan-Malpensa Airport

Date: May 17, 2001

Researcher: F. Alberti/Milan

Industry Subsector: Continued Growth in Italy's Machine Tools, Robotics and Automation Market

Date: May 17, 2001

Researcher: S. Lezzi/Genoa

Industry Subsector: Fertilizers Labeling Requirements

Date: May 22, 2001

Researcher: E. Colombo/Rome

Industry Subsector: Waste Electrical and Electronic Equipment

Date: May 22, 2001

Researcher: L. Chiocchi/Rome

Industry Subsector: New Dates and Formula for the Cart Stationery & Hobby Supplies Show

Date: May 25, 2001

Researcher: A. Anselmini/Milan

Industry Subsector: Privatization of Municipal Pharmacies Continues in Italy

Date: May 25, 2001

Researcher: F. Alberti/Milan

Industry Subsector: The Italian Market for Computer Printers

Date: May 25, 2001

Researcher: N. Postiglione/Milan

Industry Subsector: Textile Machinery: Italy is Expanding Internationally

Date: May 25, 2001

Researcher: P. Gattinoni/Milan

Industry Subsector: Italian and Mediterranean Cruise Market Growing

Date: May 26, 2001

Researcher: S. Lezzi/Genoa

Industry Subsector: Pet Plastic Recycling: Italy is First in Europe

Date: June 01, 2001

Researcher: N. Postiglione/Milan

Industry Subsector: Market Research Sector in Italy Increases by 8.2 Percent

Date: June 01, 2001

Researcher: F. Alberti/Milan

Industry Subsector: Franchising: Launch Your Business in the Italian Market

Date: June 01, 2001

Researcher: P. Gattinoni/Milan

Industry Subsector: Growth in Italy's National Port System

Date: June 01, 2001

Researcher: S. Lezzi/Genoa

Industry Subsector: PC Distribution and Retailing: Tecnodiffusione Buys Vobis and Becomes Number One in Italy

Date: June 02, 2001

Researcher: N. Postiglione/Milan

Industry Subsector: Italian Market for Material Handling Equipment

Date: June 10, 2001

Researcher: S. Lezzi/Genoa

Industry Subsector: Advertising Regulations in Italy

Date: June 13, 2001

Researcher: A. Anselmini/Milan

Industry Subsector: New Shopping Malls Planned in Italy in the Next Three Years

Date: June 13, 2001

Researcher: F. Alberti/Milan

Industry Subsector: Italian Railroad Competition Starting June 2001

Date: June 15, 2001

Researcher: F. Alberti/Milan

Industry Subsector: M-Commerce: Italy expected to become a major role player by 2005

Date: June 15, 2001

Researcher: N. Postiglione/Milan

Industry Subsector: Italian Market for Insurance Services

Date: June 15, 2001

Researcher: S. Lezzi/Genoa

Industry Subsector: The Italian Textile and Apparel Market, Import/Export Trends

Date: June 20, 2001

Researcher: P. Gattinoni/Milan

Industry Subsector: What Energy in the Near Future

Date: June 20, 2001

Researcher: S. Lezzi/Genoa

Industry Subsector: Milan, Capital of the Bicycles and Motorcycles International Market

Date: June 26, 2001

Researcher: A. Anselmini/Milan

For copies of these reports and information on additional market research, see the Commercial Service Website: www.usatrade.gov

ISA REPORTS (fiscal year 2002):

Industry subsector: Automotive Accessories and Maintenance Products

Date: April 2002

Researcher: S. Lezzi/Genoa

Industry subsector: Wind Energy Generation Equipment
Date: May 2002
Researcher: C. Sartorio/Rome

Industry subsector: Tourism Infrastructure Profile
Date: July 2002
Researcher: Albina Parente

Industry subsector: The Pet Products Market
Date: August 2002
Researcher: A. Anselmini/Milan

Industry subsector: The Market for Tourism to the USA from Italy
Date: August 2002
Researcher: S. Busnelli/Milan

Industry subsector: Insulation Products
Date: August 2002
Researcher: F. Alberti/Milan

Industry subsector: Remediation of Contaminated Sites – Equipment and Services
Date: September 2002
Researcher: L.Chiochi/Rome

Industry subsector: Broadband Communications
Date: September 2002
Researcher: M. Stannus/Rome

Industry subsector: Inorganic Chemicals
Date: September 2002
Researcher: E. Colombo/Rome

Industry subsector: TVCC: Video Security Systems
Date: September 2002
Researcher: M. Calabria/Rome

Industry subsector: Electromedical Equipment
Date: September 2002
Researcher: P. Gattinoni/ Milan

Industry subsector: Trends in the ICT Market
Date: September 2002
Researcher: N. Postiglione/Milan

Industry subsector: Greeting Cards and Stationary
Date: September 2002
Researcher: A. Gola/Florence

Market Research: Agricultural

Market Briefs have been completed on:

Aug 8 2000 - IT0716 - Food Additives Rules and Regulations - a Summary

Highlight: Following is a summary of rules and regulations pertaining to Food Additives. To ensure up to moment information please consult the FAS Brussels Homepage.

Aug 8 2000 - IT0715 - Quick Frozen Foodstuffs Rules and Regulations - a Summary

Highlight: Following is a summary of Quick Frozen Foodstuffs rules and regulations. To ensure up to moment information please consult the FAS Brussels Homepage.

Aug 8 2000 - IT0714 - Prepackaging Liquid and Non-Liquid Foodstuffs

Highlight: Following is a summary of Prepackaging Liquid and Non-Liquid Foodstuffs rules and regulations. To ensure up to moment information please consult the FAS Brussels Homepage.

Aug 8 2000 - IT0713 - Organic Foodstuffs Rules and Regulations - A Summary

Highlight: Following is a summary of Organic Food Stuffs rules and regulations. To ensure up to moment information please consult the FAS Brussels Homepage.

Aug 7 2000 - IT0712 - Foodstuffs for Nutritional Uses Rules and Regulations - a Summary

Highlight: Following is a summary of Nutritional Food Use rules and regulations. To ensure up to moment information please consult the FAS Brussels Homepage.

Aug 7 2000 - IT0711 - Labeling Rules and Regulations - a Summary

Highlight: Following is a summary of labeling rules and regulations. To ensure up to moment information please consult the FAS Brussels Homepage.

Aug 7 2000 - IT0710 - Fruit Juice Rules and Regulations - a Summary

Highlight: Following is a summary of rules and regulations pertaining to Fruit Juices. To ensure up to moment information please consult the FAS Brussels Homepage.

Aug 30 2000 - IT0709 - Food and Agricultural Import Regulations and Standards - Country Report

Highlight: This report contains a summary of the most recent rules and regulations on marketing foodstuffs in Italy. Policies, rules and regulations are flexible and are subject to change. Some information may be inaccurate because policies have changed or information was unavailable at report preparation time.

Aug 8 2000 - IT0708 - Overview of Pet Food Market

Highlight: The Italian Pet Food market offers possibilities for US exporters. While most major US pet foods are now available on the shelves of Italian stores there is still more room as pet food expenditures increase each year because as an indication of better economic times Italians are buying more pets and eating out at restaurants more often. When people eat out at restaurants there are fewer leftovers for the pets so pet food is a necessity.

Aug 8 2000 - IT0707 - General Marketing Guidelines

Highlight: This report contains general information and guidelines for exporting and marketing in Italy.

Aug 8 2000 - IT0705 - Consumer Information: Private Labels

Highlight: Private labels are being used more often by Italian supermarkets and other distributors. In some cases, this assists in the sale of generic American products. However, most American food products sold in Italy carry an identifiable prestige or quality worthy of a higher price than other goods available on the Italian market.

Jul 28 2000 - IT0704 - The Italian Coffee Market

Highlight: This report was prepared in response to many requests for information by US exporters.

Jul 28 2000 - IT0703 - The Italian Beer Market offers few Opportunities for U.S. Exports

Highlight: Italy imports nearly one fourth of the beer consumed, mostly from neighboring European producing countries. While beer consumption has more than doubled in the last 25 years, and wine consumption is halved, the opportunities for US exports are few given high tariff rates and transportation costs from the United States.

Mar 22 2000 - IT0701 - Agricultural Export Opportunities - Italy & Greece

Highlight: MacFrut Show Organizers are again offering free room, some meals and transportation between hotel and show to US companies. This show is growing rapidly in size and is anxious to increase the US visitors. This is probably the last year that the free room will be offered. In the past, the hotels have been located on the Adriatic Coast, about a half hour from the Show. Plenty of US sales opportunities as well! SANA: Italy's largest natural/organic food show with 70,000+ visitors will be held Sept. 14-17. Booths still available in USA Pavilion for US exporters.

Jul 1 1999 - IT9720 - The Lobster Import Market

Highlight: [...]

Jun 30 1999 - IT9719 - Organic Food Products

Highlight: Milan ATO [IT1], IT

Apr 23 1999 - IT9015 - Market opportunity for U.S. artichokes

Highlight: [...]

Apr 22 1999 - IT9714 - The Italian Food and Grocery Industry

Highlight: The Italian food and grocery industry is still dominated by small family owned food and grocery outlets. Consolidation is occurring but it is a very slow process. A recent recession and changes to administrative regulations caused over 30% of these small businesses to cease operations since 1991. Larger supermarket chains replaced these small outlets. There are over 30 supermarket chains in Italy with the largest three chains claiming only 15% of the entire market.

Mar 24 1999 - IT9711 - U.S. Almond Exporters Encounter Contract Problems

Highlight: U.S. almond exporters recently had their shipments rejected by importers in Italy and Greece because the contract prices were much higher than actual market conditions.

Mar 16 1999 - IT9709 - FAIRS Report: Regulations for Marketing Foodstuffs

Highlight: This report contains a summary of the rules and regulations on marketing foodstuffs in Italy. The Agricultural Trade Office in Milan has more detailed reports available on labeling, food additives, and other regulations.

Feb 17 1999 - IT9708 - Ensure Payment for Your Exports

Highlight: This report attempts to summarize the most important procedures new exporters and companies new to a market should utilize to ensure they receive payment for their exports.

Jan 29 1999 - IT9705 - A 1\$ Billion U.S. Market with Potential for Another \$400 Million in Sales

Highlight: Italy's \$1 billion U.S. export market (in 1997) is expected to expand another \$400 million in the next few years. High valued food and food products will account for most of these new exports. Exports in 1998 declined because of the high value of the dollar. The implementation of the EURO stabilized the dollar/lira exchange rate at traditional levels and U.S. products are once more competitive in Italy.

Nov 10 1998 - IT8735 - The Intertwined Italian Bar and Breakfast Industry

Highlight: Most breakfasts consumed in northern Italy outside the home consist of coffee and a sweet roll purchased in a local bar. Only 10% of the annual bar supply purchases is for alcohol; 90% is for food and non-alcoholic beverages.

Nov 10 1998 - IT8734 - MARKET BRIEF: Snack Food

Highlight: Italian snack food consumption is rapidly increasing, especially among younger consumers. Export opportunities exist for consumer ready individual pre-packed snacks as well as for snack food ingredients.

Sep 14 1998 - IT8725 - Greece: Hotel, Restaurant and Institution Industry

Highlight: Milan, Italy [IT]

Aug 19 1998 - IT8723 - The Italian Hotel, Restaurant and Institution Industry

Highlight: The 60 million Italian population combined with over 35 million yearly tourists provides some interesting opportunities for U.S. agricultural exports. While Italy has a tradition of Mediterranean-type cooking and eating habits, opportunities exist for exports of products matching the Mediterranean habits as well as for [...]

Copies of these market briefs may be found on the Foreign Agricultural Services' home page, <http://www.fas.usda.gov>.

A complete resource for exporting agricultural products to Italy may be found at the Agricultural Trade web site, <http://www.usembassy.it/agtrade>.

For additional information, you may contact:

In Italy:
Foreign Agricultural Service
Via Veneto 119A
00187 Roma
Italia

Tel: (39) (06) 4674-2396
Fax: (39) (06) 4788-7008
e:mail: AgRome@fas.usda.gov

From the United States
Foreign Agricultural Service
PSC 59 Box 13
APO AE, 09624

Tel: (39) (06) 4674-2396
Fax: (39) (06) 4788-7008
e:mail:

AgRome@fas.usda.gov

CHAPTER 13: TRADE EVENT SCHEDULE

(Last Quarter of Calendar Year 2001 and Calendar Years 2002 & 2003)

A) COMMERCIAL SERVICE TRADE EVENTS

Name of event: U.S. CATALOG EXHIBIT AT GENOA INT'L BOAT SHOW

Event location: Genoa, Italy

Industry theme: Boats and Marine Accessories

Dates of event: October 13 - 21, 2001

Type of event: Catalog Show

Name of phone number of post recruiter: Susanna Lezzi, CS Genoa, Tel:
+39-010543877; Fax: +39-0105761678; e-mail: Genoa.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT SAIE 2001

Event Location: Bologna, Italy

Industry Theme: Building Products, Construction Equipment

Dates of Event: October 17-21, 2001

Type of Event: Trade Fair

Name and Phone Number of Post Recruiter: Barbara Lapini, CS Florence,

Tel: +39-055292266, Fax: +39-055283780; e-mail: Florence.Office.Box@mail.doc.gov;
Franco Alberti, CS Milan, Tel: +39-026592260; Fax: +39-026596561; e-mail:
Milan.Office.Box@mail.doc.gov

Name of Event: U.S. PAVILION AT SMAU

Event location: Milan, Italy

Industry theme: Information and Communications Technology

Date of event: October 18-22, 2001

Type of event: Trade Fair and Matchmaker

Name and phone number of post recruiter: Nicoletta Postiglione, CS Milan,

Tel: +39-026592260; Fax: +39-026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name of event: NASHVILLE HEALTH CARE INDUSTRY TRADE MISSION

Event location: Rome and Milan, Italy

Industry theme: Hospital and Physician Practice Management; Outpatients Surgery;

Assisted Living and Long Term Care; Clinical Research; etc.

Dates of event: Rome: November 6-8, 2001; Milan: November 8-9, 2001

Type of event: Certified Trade Mission

Name and phone number of post organizer: Mariella Stannus, CS Rome, Tel:

+39-06 46742250; Fax: +39-0646742113; e-mail: Rome.Office.Box@mail.doc.gov; Piera

Gattinoni, CS Milan, Tel: +39-026592260; Fax: +39-026596561; e-mail:

Milan.Office.Box@mail.doc.gov

Name of Event: U.S. PAVILION AT FRANCHISING & PARTNERSHIP

Event location: Milano, Italy

Industry theme: Franchising Services

Date of event: November 9-12, 2001

Type of event: Trade Fair and Matchmaker

Name and phone number of post recruiter: Piera Gattinoni, CS Milan; Tel: +39-

026592260; Fax: +39-026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name: U.S. PAVILION AT CART

Event location: Milan, Italy

Industry theme: Stationery, Paper Products, Hobby Supplies

Dates of event: November 22-25, 2001

Type of event: Trade Fair

Name and phone number of post recruiters: Annalena Anselmini, CS Milan, Tel:

+39-026592260; Fax: +39-026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name: U.S. PAVILION AT CHIBI

Event location: Milan, Italy

Industry theme: Jewelry, Handicrafts, Giftware

Dates of event: January 18-21, 2002

Type of event: Trade Fair

Name and phone number of post recruiters: Barbara Lapini, CS Florence, Tel: +39-

055292266; Fax: +39-055283780; e-mail: Florence.Office.Box@mail.doc.gov; Annalena

Anselmini, CS Milan, Tel: +39-026592260; Fax: +39-026596561; e-mail:

Milan.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT BIT 2002

Event location: Milan, Italy

Industry theme: Travel & Tourism

Dates of event: February 20-24, 2002

Type of event: Trade Fair

Name and phone number of post recruiter: Simonetta Busnelli, CS Milan, Tel: +39-026592260; Fax: +39-026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name of Event: U.S. PAVILION AND CATALOG SHOW AT EXPOCOMFORT

Event location: Milan, Italy

Industry theme: Heating, Conditioning, Refrigeration and Plumbing Equipment

Dates of event: March 5-9, 2002

Type of event: Trade Fair

Name and phone number of post recruiter: Maria Calabria, CS Rome, Tel: +39-06 46742427; Fax: +39-0646742113; e-mail: Rome.Office.Box@mail.doc.gov

Name of event: U.S. BIO BOOTH/CATALOG EXHIBIT AT VENDITALIA

Event location: Genoa, Italy

Industry theme: Automatic Vending/Distribution

Dates of event: April 2002

Type of event: BIO/Catalog Exhibit

Name of phone number of post recruiter: Susanna Lezzi, CS Genoa, Tel: +39-010543877; Fax: +39-0105761678; e-mail: Genoa.Office.Box@mail.doc.gov

Name: U.S. PAVILION AT CHILDREN'S BOOK FAIR

Event location: Bologna, Italy

Industry theme: Multimedia Products

Dates of event: April 3-6, 2002

Type of event: Trade Fair

Name and phone number of post recruiters: Barbara Lapini, CS Florence, Tel: +39-055292266; Fax: +39-055283780; e-mail: Florence.Office.Box@mail.doc.gov; Annalena Anselmini, CS Milan, Tel: +39-026592260; Fax: +39-026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name of event: U.S. BIO BOOTH/CATALOG EXHIBIT AT TEBIO

Event location: Genoa, Italy

Industry theme: Biotechnologies

Dates of event: May 2002

Type of event: BIO/Catalog Exhibit

Name of phone number of post recruiter: Susanna Lezzi, CS Genoa, Tel: +39-010543877; Fax: +39-0105761678; e-mail: Genoa.Office.Box@mail.doc.gov

Name of Event: U.S. PAVILION AT MIDO

Event location: Milan, Italy

Industry theme: Optical Goods, Frames, Lenses

Date: May 3- 6, 2002

Type of event: Trade Fair

Name and phone number of post recruiter: Piera Gattinoni, CS Milan; Tel: +39-026592260; Fax: +39-026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name: SPORTING GOODS TRADE MISSION TO ITALY

Event location: Milan, Italy

Industry theme: Sporting Goods

Dates of event: May 23-24, 2002

Type of event: Trade Mission

Name and phone number of post recruiter: Annalena Anselmini, CS Milan, Tel: +39-026592260; Fax: +39-026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT SANA

Event location: Bologna, Italy

Industry Theme: Herbal, Natural and Environmentally Friendly Products

Date of Event: September 2002

Type of Event: Trade Fair

Name and phone number of post recruiter: Piera Gattinoni, CS Milan; Tel:

+39-026592260; Fax: +39-026596561; e-mail: Milan.Office.Box@mail.doc.gov

B) OTHER SIGNIFICANT TRADE EVENTS

Name of event: RICH & MAC

Event location: Milan, Italy

Industry theme: Laboratory Instruments, Equipment for Chemical Industry

Dates of event: October 2-6, 2001

October 2003

Type of event: Trade Fair, Biennial

Organizer/contact information: E.I.O.M., Tel: +39-0255181842; Fax: +39-0255016755;

e-mail: eiom.fairs@bias-net.com; Website: www.bias-net.com

Name of event: MOVINT EXPOLOGISTICA

Event location: Milan, Italy

Industry theme: International Industrial and Mechanical Handling Exhibition/Material Handling, Transport and Logistics

Dates of event: October 3 - 6, 2001

October 2003

Type of event: Trade Fair, Biennial

Organizer/contact information: Promexpo S.p.A., Tel: +39-024234258; Fax:

+39-024236919; e-mail: promexpo@iol.it; Website: www.fieremostre.it/movint

Name of event: EXPODENTAL - EXPOTECNODENTAL

Event location: Milan, Italy

Industry theme: Dental Equipment

Dates of event: October 10-13, 2001

Type of event: Trade Fair

Organizer/contact information: PROMUNIDI, Tel: +39-024675101; Fax:

+39-02461330; e-mail: expodental@expodental.it; Website: www.expodental.it

Name of Event: MIFED - The Autumn Film Market

Event location: Milan, Italy

Industry theme: Films and Videos

Dates of event: October 28-November 1, 2001

November 2002

November 2003

Organizer/contact information: Fiera di Milano-MIFED, Tel: +39-0249977267; Fax: +39-

0249977020; e-mail: mifed@fmd.it; Website: www.fmd.it/mifed

Name of event: LINEAPELLE
Event location: Bologna, Italy
Industry theme: Hides and Skins
Dates of events: November 6-8, 2001
May 7-9 and November 5-7, 2002
Type of event: Trade Fair
Organizer/contact information: Areapelle, Tel: +39-028807711; Fax: +39-02860032; e-mail: lineapelle@unic.it; Website: www.lineapelle-fair.it

Name of event: EIMA
Event location: Bologna, Italy
Industry theme: International Exhibition of Agricultural Machinery Manufacturers & Exhibition of Gardening Machinery
Dates of event: November 17-21, 2001
November 2002
November 2003
Type of event: Trade Fair
Organizer/contact information: Unacoma Service S.r.l., Tel: +39-06442981; Fax: +39-064402722; e-mail: eima@unacoma.it; Website: www.eima.it

Name of event: MOTOR SHOW
Event location: Bologna, Italy
Industry theme: International Car, Motorcycle and Bicycle Exhibit
Dates of event: December 7 - 16, 2001
December 2002
December 2003
Type of event: Trade Fair
Organizer/contact information: Promotor S.r.l., Tel: +39-0516451011; Fax: +39-0516451099; e-mail: salone@motorshow.it; Website: www.motorshow.it

Name: SALONE DEL GIOCATTOLO
Event location: Milan, Italy
Industry theme: Toys and Games
Dates of event: January 18-21, 2002
Type of event: Trade Fair
Organizer/contact information: Fiera Milano International, Tel: +39-02485501; Fax: +39-0243980298; e-mail: macef@fmi.it; Website: www.fmi.it

Name of event: MACEF
Event location: Milan, Italy
Industry theme: International Exhibition of Tableware, Household and Gift Items, Silverware, Goldsmith's Items, Watches
Dates of event: February 8-11, 2002; September 7-10, 2002
Type of event: Trade Fair
Organizer/contact information: Fiera Milano International S.p.A., Tel: +39-02485501; Fax: +39-0248004423; e-mail: macef@planet.it; Website: www.fmi.it

Name of event: COSMOPROF
Event location: Bologna, Italy
Industry theme: International Perfumery and Cosmetics Exhibition
Dates of event: March 8-11, 2002

March 2003

Type of event: Trade Fair

Organizer/contact information: SoGeCos S.r.l, Tel: +39-02796420; Fax: +39-02795036;
e-mail: sogecos@cosmoprof.it; Website: www.cosmoprof.com

Name of event: MIPEL

Event location: Milan, Italy

Industry theme: Leathergoods

Dates of event: March 21-24, 2002; September 19-22, 2002

Type of event: Trade Fair

Organizer/contact information: Aimpes-Mipel, Tel: +39-02584511; Fax:
+39-0258451320; e-mail: segreteria@mipel.com; Website: www.mipel.com

Name of event: INTERNATIONAL FURNITURE FAIR

Event location: Milan, Italy

Industry theme: Furniture

Dates of event: April 8-14, 2002

April 2003

Type of event: Trade Fair

Organizer/contact information: I Saloni S.p.A., Tel: +39-02725941; Fax:
+390289011563; e-mail: salone@cosmit.it; Website: www.cosmit.it

Name of event: INTERNATIONAL MOTOR VEHICLE SHOW

Event location: Turin, Italy

Industry theme: Cars, Car Bodies, Components, Tires and Wheels

Dates of event: April 24 – May 5, 2002

Type of event: Trade Fair, Biennial

Organizer/contact information: Promotor S.r.l., Tel: +39-0516451011; Fax:
+39-0516451099; e-mail: salone@motorshow.it; Website: www.motorshow.it

Name of event: BI-MU/SFORTEC

Event location: Milan, Italy

Industry theme: International Machine Tools, Robots, Automation and Welding Exhibition

Dates of event: October 3 - 8, 2002

Type of event: Trade Fair, Biennial

Organizer/contact information: Centro Esposizioni UCIMU S.p.A.; Tel:
+39- 02262551; Fax: +39-0226255214; e-mail: ucimu@ucimu.it; Website: www.ucimu.it

Name of event: BIAS

Event location: Milan, Italy

Industry theme: Process Controls Instrumentation, Electronic Components, Industrial Automation

Dates of event: November 19-23, 2002

Type of event: Trade Fair, biennial

Organizer/contact information: E.I.O.M. – Ente Italiano Organizzazione Mostre, Tel: +39-0255181842; Fax: +39-0255016755; e-mail: eiom.fairs@bias-net.com; Website: www.bias.it

Name of event: INTEL

Event location: Milan, Italy

Industry theme: Electrotechnical and Electronic Equipment

Dates of event: May 2003

Type of event: Trade Fair, Biennial

Organizer/contact information: Associazione Intel, Tel: +39-023264282; Fax: +39-0232644284; e-mail: intel@intel.anie.it ; Website: www.intelshow.com

Name of event: EICMA 2003

Event location: Milan, Italy

Industry theme: International Bicycle and Motorcycle Exhibition

Dates of event: September 2003

Type of event: Trade Fair, Biennial

Organizer/contact information: EICMA; Tel: +39-0266981818; Fax: +39-0266982072; e-mail: eicma@eicma.it ; Website: www.eicma.it

B) AGRICULTURAL SERVICE TRADE EVENTS

Name and phone number of post recruiter: Dana Biasetti, FAS, American Embassy, Rome, Italy. Tel. (39)(06) 4674-2396

FOREST PRODUCTS SHOWS

Name of Event: SAIE
Location: Bologna
Date: Oct 17-21, 2001
Type of show: Wood and other construction material, building exhibition.
Frequency: Annual
Organizer: Bologna Fiere
Piazza Costituzione 6
40128 Bologna
Tel: (39) 051-282111
Fax: (39) 051-282332
Internet: Bolognafiere.it/SAIE

Name of Event: SASMIL
Location: Milan
Date: May 21-25, 2001
Type of show: Exhibition of accessories and semi-finished products for the furniture, upholstered furniture and the wood working industry.
Frequency: Annual
Organizer: Cosmit
Corso Magenta 96
20123 Milano
Tel: (39) 02-725941
Fax: (39) 02-89011563

Name of Event: SALONE NAUTICO INTERNAZIONALE
Location: Genoa
Date: Oct 13-21, 2001
Type of show: Boat show
Frequency: Annual
Organizer: Fiera Internazionale di Genova

Piazzale Kennedy 1
16129 Genova
Tel: (39) 010-53911
Fax: (39) 010-5391270
Internet: fierage@fiera.ge.it
www.fiera.ge.it

HIDES AND SKINS/FUR SHOWS

Name of Event: LINEAPELLE
Location: Bologna
Date: May 8-10, 2001
Nov 6-8, 2001
Type of Show: Hides & skins, Italian fashion preselection.
Frequency: Semi-Annual
Organizer: Lineapelle Spa
Bologna Fiere
V. Le della Fiera 20
40128 Bologna
Tel. (39) 051-282111
Fax: (39) 051-282332
Internet: dir.gen@bolognafiere
www.lineapelle-fair.it

Name of Event: MIPEL
Location: Milan
Date: Sept 20-23, 2001
Mar 21-24, 2002
Type of Show: Leather goods market
Frequency: Semi-annual
Organizer: SVIP, Comitago Sviluppo Pelletteria
Fiera di Milano
L.go Domodossola 1
20145 Milano
Tel. (39) 02-49971
Fax: (39) 02-49977963
Internet: info.fierami@fieramilano.com
www.mipel.com

Name of Event: FIRENZE MODA PELLE
Location: Florence
Date: Mar 22-24, 2001
Sept 27-29, 2001
Type of Show: Leather fashion preview exhibition
Frequency: Bi-annual
Organizer: Firenze Expo & Congress S.p.A.
Viale F. Strozzi 1
50129 Firenze
Tel. (39) 055-49221
Fax: (39) 055-490573

Internet: www.firenzemodapelle.com

HEALTH FOOD AND INGREDIENTS

Name of Event: SANAANAPOLI
Location: Naples
Date: Mar 22-24, 2002
Type of show: Health food and ingredients, Mediterranean exhibition of environment-friendly technologies and products.
Organizer: Fiere e comunicazioni S.r.l.
Via San Vittore, 14
20123 Milano
Tel. (39) 286-451078
Fax: (39) 286-453506
Internet: fierecom@starlink.it
www.mostradoltremare.it

Name of Event: SANA
Location: Bologna
Date: Sept 13-16, 2001
Type of show: Health food, ingredients & natural products
Frequency: Annual
Organizer: Fiere e Comunicazione srl
Via S. Vittore 14
20123 Milano
Tel. (39) 02-86451078
Fax: (39) 02-86453506

FOOD AND DRINK

Name of Event: CIBUS
Location: Parma
Date: May 2002
Type of Show: Food & drinks
Frequency: Annual
Organizer: E. A. Fiere di Parma
Via Rizzi 67/a
43031 Baganzola Parma
Tel. (39) 0521-9961
Fax: (39) 0521-996270

Name of Event: EXPO FOOD
Location: Milan
Date: Apr 20-23, 2001
Nov 9-12, 2001
Type of show: Food & drinks
Frequency: Semi-annual
Organizer: Expo CTS
Via Londonio 2
20154 Milano
Tel. (39) 02-349841

Fax: (39) 02-33600493
Internet: info.fierami@fieramilano.com
www.expects.it

Name of Event: S.E.R.
Location: Genoa
Date: Nov 18-21, 2001
Type of Show: European restaurant exposition
Frequency: Annual
Organizer: Fiera di Genova
Piazzale Kennedy 1
16129 Genova

Tel: (39) 010-53911
Fax: (39) 010-5391270
Internet: www.fiera.ge.it

Name of Event: IL SALONE DEI SAPORI
Location: Milan
Date: Dec 1-9, 2001
Type of show: Selling exhibition of quality food, wines and local typical products.

Frequency: Annual
Organizer: Fiera di Milano
L.go Domodossola 1
20145 Milano
Tel: (39) 02-49971
Fax: (39) 02-49977963
Internet: info.fierami@fieramilano.com
www.fiera.artigianato.com

Name of Event: SIAB
Location: Verona
Date: May 2003
Type of show: International bakery and pastry exhibition, bakery, confectionery, fresh pasta and pizza.

Frequency: Bi-annual
Organizer: Verona fiere
Viale del Larvo 8
37135 Verona
Tel: (39) 045-8298111
Fax: (39) 045-8298288
Internet: info@veronafiery.it
www.veronafiery.it

TEXTILE (WOOL/COTTON)

Name of Event: PITTI IMMAGINE FILATI
Location: Florence
Date: Jan 25-27, 2001
Jul 4-6, 2001
Type of show: Textile, yarn and knitted fabrics

Frequency: Semi-annual
Organizer: Pitti Immagine Srl
Firenze Expo - Fortezza da Basso
V. le Filippo Strozzi 1
50129 Firenze
Tel. (39) 055-49721
Fax: (39) 055-4973237
Internet: info@firenze-expo.it
www.pittimmagine.com

Name of Event: MODA IN - TESSUTO & ACCESSORI
Location: Milan
Date: Sept 10-12, 2001
Type of Show: Textile proposals autumn/winter
Frequency: Annual
Organizer: Stel Net Srl
Via del Canneto 10a
09134 Cagliari
Tel. (39) 070-503093
Fax: (39) 070-520959
Internet: www.unprod.it

Name of Event: FILO
Location: Cernobbio
Date: Apr 4-6, 2001
Nov 7-9, 2001
Type of show: Exhibition of yarns for woven and knitted fabrics for clothing.
Frequency: Semi-annual
Organizer: Biella Intrapredere S.
Cernobbio - Villa Erba
L.go Luchino Visconti - CO
Tel: (39) 015-404032
Fax: (39) 015-8495558
Internet: info@villaerba.it

HORTICULTURE

Name of Event: MACFRUT-TRANS.WORLD-AGRO.BIO.FRUT
Location: Pievesestina di Cesena (Cesena)
Date: May 3-6, 2001
May 9-12, 2002
Type of show: Horticulture-fruits
Frequency: Annual
Organizer: Agri Cesena
Fiera di Cesena
Via Dismano, 3845
47020 Pievesestina di Cesena
Tel: (39) 547-371435
Fax: (39) 547-318431
Internet: info@agricesena.it

www.agricesena.it

Name of Event: FLORMART-MIFLOR
Location: Padova
Date: Sept 14-16, 2001
Feb 22-24, 2002
Sept 13-15, 2002
Type of show: Exhibition of gardening and floriculture
Frequency: Semi-annual
Organizer: Padova Fiere
Via Tommaseo 59
35131 Padova
Tel. (39) 049-840111
Fax: (39) 049-840570
Internet: info@padovafiery.it
www.padovafiery.it

Name of Event: FIERAGRICOLA
Location: Verona
Date: Mar 6-10, 2002
Type of Show: Agricultural and animal farming exhibition
Frequency: Annual
Organizer: Verona Fiere
Viale de Larvoro 8
37135 Verona
Tel. (39) 045-8298111
Fax: (39) 045-8298288
Internet: info@veronafiery.it
www.veronafiery.it

Name of Event: EUROFLORA
Location: Genoa
Date: Apr 21-May 1, 2001
Type of show: Ornamental plants and nursery products market show.
Frequency: Annual
Organizer: Fiera Internazionale di Genova
Piazzale Kennedy 1
16129 Genova
Tel: (39) 010-53911
Fax: (39) 010-5391270
Internet: fierage@fiera.ge.it
www.fiera.ge.it

AGRICULTURAL/LIVESTOCK FAIR/PET PRODUCTS

Name of Event: ZOOMARK INTERNATIONAL 2001
Location: Milan
Date: Mar 1-4, 2001
2002 show to be announced
Type of show: National exhibition of products and accessories for pets
Frequency: Annual

Organizer:	Map Service Srl Fiera Di Milano L.go Domodossola 1 20145 Milano
Tel.	(39) 02-49971
Fax:	(39) 02-49977963
Internet:	vimax@zoomark.it www.zoomark.it
Name of Event:	EUROCARNE
Location	Verona
Date	April 2003
Type of show:	Meat and meat processing industry
Frequency:	Tri-annual
Organizer:	Ente Autonomo Fiere di Verona Viale del Lavoro 8 37100 Verona
Tel.	(39) 045-8298111
Fax:	(39) 045-8298288

Because trade event schedules may change, firms should consult the Export Promotion Calendar on the NTDB or contact the Commercial or Agricultural Sections at the Embassy in Rome.